(1) APR 06 2005

No. 04- 041350

IN THE

Supreme Court of the United States

KSR INTERNATIONAL CO.,

Petitioner,

against

TELEFLEX INC. and
TECHNOLOGY HOLDING CO.,

Respondents

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether the Federal Circuit has erred in holding that a claimed invention cannot be held "obvious", and thus unpatentable under 35 U.S.C. § 103(a), in the absence of some proven "'teaching, suggestion, or motivation' that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed."

CORPORATE DISCLOSURE STATEMENT

Petitioner hereby identifies KSR Industrial Corp. as a parent corporation owning 10% or more of Petitioner's stock. No publicly held company owns 10% or more of the stock of Petitioner.

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Appendix B – Opinion And Order Of The United States District Court For The Eastern District Of Michigan Filed December 12, 2003 ..... 18a

KSR International Co. ("KSR") hereby petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit entered in this action on January 6, 2005.

OPINIONS BELOW

The opinion of the Court of Appeals is unreported and is set forth in the Appendix ("App.") at 1a-17a. The opinion and final judgment of the United States District Court for the Eastern District of Michigan is reported at 298 F. Supp. 2d 581 and appears at App. 18a-49a.

JURISDICTION

The judgment of the Court of Appeals was entered on January 6, 2005. No petition for rehearing was filed. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

The District Court had jurisdiction to hear Respondent's claim for alleged patent infringement under 28 U.S.C. § 1338(a). The Federal Circuit had jurisdiction to hear Respondent's appeal under 28 U.S.C. § 1295(a)(1).

STATUTORY PROVISION INVOLVED

This case concerns the standard of patentability set forth in § 103(a) of the Patent Act, 35 U.S.C. § 103(a), which provides:

> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

STATEMENT OF THE CASE

This case raises a question of broad and general importance: What is the proper interpretation of the patentability standard set forth in § 103 of the Patent Act? The answer to this question affects every pending U.S. patent application, every issued U.S. patent, and every U.S.

federal court challenge to the validity of a patent. It is a matter of concern to every company and member of the public affected by the grant of a U.S. patent.

Section 103 was first enacted in 1952; it provides that a patent cannot issue on subject matter that would have been "obvious" to a hypothetical "person having ordinary skill in the art." This Court first interpreted § 103 in *Graham v. John Deere Co.*, 383 U.S. 1 (1966), which unanimously "conclude[d] that the section was intended merely as a codification of judicial precedents embracing the *Hotchkiss* [*v. Greenwood*, 52 U.S. 248 (1852)] condition, with congressional directions that inquiries into the obviousness of the subject matter sought to be patented are a prerequisite to patentability."[1] *Id.* at 17. Section 103 was, the Court instructed, to be followed "realistically" so as to establish a "practical test of patentability." *Id.*

In its subsequent decisions in *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 60-61 (1969) and *Sakraida v. Ag Pro, Inc.*, 425 U.S. 274, 281-82 (1976), this Court unanimously held that § 103 precludes patent protection where, as in this case, a claimed "invention" consists of "a combination which only unites old elements with no change in their respective functions." *Sakraida*, 425 U.S. at 281 (quoting *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152 (1950)). *Sakraida* and *Anderson's-Black Rock* reflected a practical judgment – grounded in more than a century of this Court's precedents[2] – that as a matter of

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[1] As the *Graham* Court explained earlier in its opinion, *Hotchkiss v. Greenwood* is the "cornerstone" decision in which this Court first formulated "a general condition of patentability." 383 U.S. at 11.

[2] *See, e.g., Toledo Pressed Steel Co. v. Standard Parts, Inc.*, 307 U.S. 350, 356 (1939) (holding that a "mere aggregation of two old devices" is unpatentable where each part "served as separately it had done"); *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U.S. 545, 549 (1938) ("mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention"); *Adams v. Bellaire Stamping Co.*, 141 U.S. 539, 542 (1891) (holding the standard of patentability requires "something more than a mere aggregation of old

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law, the statutory "person having ordinary skill in the art" is deemed capable of assembling or rearranging "old elements with each performing the same function it had been known to perform." *Sakraida*, 425 U.S. at 282.

The practical test of patentability developed by the precedents of this Court, codified by Congress in § 103, and reaffirmed in this Court's decisions in *Graham*, *Anderson's-Black Rock*, and *Sakraida*, has been eviscerated by the Federal Circuit during the past two decades. As exemplified by the decision below, Federal Circuit has engrafted onto § 103 a new test—referred to below as the "teaching-suggestion-motivation test" (App. at 8a)—under which a claimed "invention" cannot be held "obvious" under § 103 in the absence of some proven "'suggestion, teaching, or motivation' that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed." App. at 6a (citing prior Federal Circuit authorities).

The Federal Circuit's "teaching-suggestion-motivation test" has been applied in hundreds of cases since 1985, including in the decision below. App. at 16a-17a. The Federal Circuit has repeatedly held that a "teaching or suggestion or motivation" to combine prior art references is an "essential evidentiary component" of any obviousness holding. *C.R. Bard, Inc. v. M3 Sys., Inc.*, 157 F.3d 1340, 1351-52 (Fed. Cir. 1998). *See also In re Dembiczak*, 175 F.3d 994, 998 (Fed. Cir. 1999). The Federal Circuit applies this "teaching-suggestion-motivation test" even where, as in this case, a patent claims nothing more than a combination of pre-existing, off-the-shelf components in which each component performs exactly the same function that it had been known and was designed to perform.

(Cont'd)

results"); *Reckendorfer v. Faber*, 92 U.S. 347, 357 (1876) (holding that a "combination, to be patentable, must produce a different force or effect, or result in the combined forces or processes, from that given by their separate parts" and must also produce "a new result"); *Hailes v. Van Wormer*, 87 U.S. 353, 368 (1874) ("bringing old devices into juxtaposition, and there allowing each to work out its own effect without the production of something novel, is not invention").

The difference between this Court's interpretation of § 103 (which at least seven (7) Circuits have abided, as described *infra*), and the Federal Circuit's interpretation of § 103, is plain: Under this Court's precedents, a combination of pre-existing elements does not constitute an "invention", and does not meet the "condition for patentability" specified in § 103(a), if each element in the claimed combination does nothing more than what it was previously known or designed to do.

In sharp contrast, the Federal Circuit holds that a combination of pre-existing elements *will always* constitute an "invention", and *will always* meet the "condition for patentability" specified in § 103, unless there is proven "some 'suggestion, teaching, or motivation' that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed." App. at 6a.

The Federal Circuit's so-called "teaching-suggestion-motivation test" has no basis in the text of § 103 or in any decision of this Court. Indeed, it is—as numerous commentators have noted—quite inconsistent with this Court's interpretations § 103. The Federal Circuit itself has expressly acknowledged that its test splits from other circuit court precedent. The Federal Circuit's precedents on this "teaching-suggestion-motivation test" have also drawn criticism in two recent national studies, one undertaken by the Federal Trade Commission and one by the National Academies of Sciences. This issue is ripe for review by this Court, and this case provides a good vehicle to do so.

The Technology at Issue

This case involves a simple and ubiquitous technology: "gas pedals" used to operate passenger cars and light trucks. Petitioner supplies gas pedals to General Motors Corp. ("GM") for installation in various Chevrolet (e.g., Silverado, Tahoe, Suburban, Trailblazer), GMC (e.g., Sierra, Envoy, Yukon), Buick (Rainier), Cadillac (e.g., Escalade), and other GM vehicle models sold in United States commerce. Some of these gas pedals are alleged to infringe one claim in a patent owned by Respondents.

The claimed invention at issue in this case is a straightforward combination of (i) a pre-existing type of "adjustable pedal," and (ii) a pre-existing type of "electronic control" that is commonly used on newer cars. Both of these components are explained below.

Adjustable Pedals

The particular gas pedals at issue here are "adjustable" pedals, which are pedals whose resting position can be moved, or "adjusted," relative to a driver's seating position. Adjustable foot pedals permit drivers of short stature to operate a motor vehicle with the driver's seat pushed further back from the steering wheel (and air bag) than may be possible with non-adjustable pedals. Adjustable foot pedals also permit taller drivers to achieve a more comfortable driving position than may be possible with seat adjustment alone. Adjustable pedals are old in the art; they were a common technology at least twenty-five (25) years before the alleged invention at issue here.

The Transition From Cable-Actuated to Electronically-Actuated Fuel Systems

Prior to the mid-1990's, most new vehicles sold in the United States were equipped with engines whose throttles were actuated by mechanical cables. In vehicles equipped with cable-actuated throttle controls, depression of a gas pedal typically causes a cable to pull on a valve housed in a carburetor or fuel injection unit, thereby increasing the amount of fuel and air entering the engine and hence raising the engine speed.

Commencing in the mid-1990's, increasing numbers of vehicles sold in the United States were equipped with engines whose throttles were controlled electronically, by computerized systems commonly known as "electronic throttle controls" or ETC's. Electronic throttle controls can accommodate improved traction control and vehicle directional stability systems, simplified cruise controls, and on-board computer-controlled systems for improving fuel economy and reducing tailpipe emissions.

In vehicles whose engines are equipped with electronic throttle controls, the gas pedal is typically coupled to an

electronic sensor that engages the pivot point of the gas pedal. Thus, in newer cars, stepping on the gas pedal does not pull a cable; instead, the electronic sensor detects the motion of the pedal and generates an electronic signal. The electronic signal travels via wire into the engine compartment where, typically, it is input into the electronic throttle control.

The '565 Patent

Respondents are the owners of U.S. Patent No. 6,237,565 B1 entitled "Adjustable Pedal Assembly With Electronic Throttle Control" (the "'565 patent"). Only one of the '565 patent's claims is at issue in this litigation. That claim—numbered claim 4 in the patent—comprises nothing more than (i) a pre-existing "adjustable pedal assembly," combined with (ii) a pre-existing "electronic control."

The simplicity of alleged invention covered by the '565 patent is confirmed by the patent document itself. The patent states that the claimed "adjustable pedal assembly" may "be any of various adjustable pedal assemblies known in the art" (col. 2, lines 55-56). The patent further states that the claimed "electronic throttle control mechanism" may "be any of various electronic throttle control mechanisms known in the art" (*id.* at col. 3, lines 22-24).

The claimed "invention" of the '565 patent thus admittedly and literally comprises nothing more than the combination of (a) a pre-existing "adjustable pedal assembly," and (b) a pre-existing "electronic control", with the latter being "attached" to the "support" of the former.

The Proceedings Below

By its lawsuit below, Respondents sought to exclude Petitioner from supplying GM with adjustable gas pedals designed to actuate modern GM engines equipped with ETC's, no matter how dissimilar might be (a) the mechanical configuration of the accused adjustable pedal assemblies developed and supplied (and independently patented) by Petitioner,[3] and (b) the mechanical configuration of the

[3] The mechanical configuration of adjustable pedal assemblies that Petitioner supplies for mid-sized Chevrolet, Buick, and GMC vehicles is disclosed in Petitioner's own U.S. Patent No. 6,655,231.

"adjustable pedal assembly" described and claimed in the '565 patent.

The District Court Action

Respondents commenced this civil action for alleged patent infringement on November 18, 2002. Respondents accused Petitioner of making unauthorized use of the invention defined by Claim 4 of the '565 patent. Petitioner denied infringement and argued, among other things, that the Claim 4 of the '565 patent was invalid under 35 U.S.C. § 103(a).

Following the completion of discovery, Petitioner moved for summary judgment of invalidity. Petitioner contended that the subject matter recited in Claim 4 of the '565 patent was unpatentable under 35 U.S.C. § 103(a) in view of undisputed prior art, namely, (a) a 1991 patent to Asano (referred to hereinafter as the "Asano" patent, or simply "Asano") that disclosed the exact type of adjustable pedal assembly described in Claim 4 of the '565 patent, and (b) an off-the-shelf, modular electronic pedal position sensor that was designed to engage the pivot shaft of any type of gas pedal. It is undisputed that the Asano patent was never cited to, or considered by, the PTO during the prosecution of the '565 patent.

In its response to Petitioner's motion for summary judgment, Respondents made no claim that the pre-existing components comprising the alleged invention of Claim 4 of the '565 patent performed any "'new or different function' . . . within the test of validity of combination patents." *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 282 (1976) (quoting *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 60 (1969)). Rather, Respondents contended that the undisputed prior art references cited by Petitioner were insufficient to support a legal conclusion of obviousness under § 103, in view of what Respondents candidly referred to as "the barriers that the Federal Circuit has erected to a finding of obviousness." Brief for Plaintiffs-Appellants filed March 8, 2004, at 4. In particular, Respondents relied on the purported requirement of a "motivation to combine" prior art references, as purportedly giving rise to an issue of fact

precluding summary judgment as to the invalidating effect of the prior art cited by Petitioner.

The District Court's Decision

Although Petitioner urged the District Court to follow and apply this Court's long-establish "test of validity of combination patents," *Sakraida*, 425 U.S. at 282 (quoting *Anderson's-Black Rock*, 396 U.S. at 60), the District Court elected to assess the validity of Respondents' patent claim under the Federal Circuit's "teaching-suggestion-motivation test." In a comprehensive published opinion, Chief Judge Zatkoff concluded that there was no patentable difference between the subject matter recited in Claim 4 of the '565 patent, on the one hand, and the combined teachings of the prior art on adjustable pedals and the prior art on electronic pedal position sensors, on the other. The District Court observed (298 F. Supp. 2d at 593 & 596; App. at 41a, 48a):

> It is undisputed that in the mid-1990's more cars required the use of an electronic device, such as a pedal position sensor, to communicate driver inputs to an electronically managed engine. It is also undisputed that adjustable pedal assemblies have existed in the art since the late 1970's. Clearly it was inevitable that adjustable pedal assemblies would be joined with an electronic device to work in conjunction with modern electronically controlled engines.
>
> . . . .
>
> [T]he Court finds that a hypothetical person with an undergraduate degree or an equivalent amount of industry experience who has familiarity with pedal control systems for vehicles would have found it obvious to attach a modular pedal position sensor to Asano's support member, with the pedal position sensor being responsive to the pedal assembly's pivot shaft.

The Federal Circuit's Decision

Respondents timely appealed to the Federal Circuit, complaining that "the lower court diluted beyond recognition the barriers that the Federal Circuit has erected to a finding of obviousness." Brief for Appellant at 4. Respondents argued that, as bars to patentability under § 103, the invalidating legal effect of multiple prior art references (in this case, a pre-existing adjustable pedal assembly, Asano, and an off-the-shelf pedal position sensor) purportedly could not be determined without a jury trial of whether a hypothetical "person having ordinary skill in the art" would have had a hypothetical "motivation to combine" the references cited by the District Court.

In response, Petitioner once again cited and relied on this Court's *Sakraida* and *Anderson's-Black* decisions. In the alternative, Petitioner urged affirmance even under the Federal Circuit's "teaching-suggestion-motivation test" of invalidity.

On January 6, 2005, a panel of the Federal Circuit vacated the District Court's judgment and remanded for further proceedings. The Federal Circuit declined to acknowledge the existence of, to follow, or to distinguish *Sakraida* or any other of this Court's precedents applying the "test of validity of combination patents", *Sakraida*, 495 U.S. at 282 (quoting *Anderson's-Black Rock*, 396 U.S. at 60). The Federal Circuit also elected not to publish its decision even though it was vacating a comprehensive reported decision by the District Court.[4]

Instead, citing to only its own precedents, the Federal Circuit held that the District Court "did not apply the correct teaching-suggestion-motivation test". App. at 8a. And applying the purportedly "correct" "test" to the undisputed prior art references cited by the District Court, the Federal

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[4] The Federal Circuit's action in this case is similar to what it did in *Holmes Group, Inc v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826 (2002), where arguments challenging the Federal Circuit's jurisdiction were ignored in an unpublished decision that vacated a comprehensive reported District Court decision. The undersigned counsel of record for Petitioner here was counsel of record for the prevailing Petitioner in *Holmes*.

Circuit held that the prior art of record not only did not support the District Court's grant of summary judgment to Petitioner, but that the undisputed prior art purportedly did not make out even "a *prima facie* case of obviousness." *Id.* at 14a.

The Federal Circuit did not question the District Court's conclusion that one prior art reference on adjustable pedals (namely, Asano) disclosed "all of the structural limitations of [Respondents' patent claim] with the exception of the electronic control". App. at 9a, citing 298 F. Supp. 2d at 592. The Federal Circuit also did not question the District Court's conclusion that "[e]lectronic controls were well known in the prior art." *Id.*, citing 298 F. Supp. 2d at 592. The Federal Circuit also did not question that Claim 4 of the '565 patent claimed (a) a pre-existing adjustable pedal assembly, combined with (b) a pre-existing electronic control, with each claimed element performing exactly the same function, in combination, that it had been designed to perform individually.

Nevertheless, in the Federal Circuit's view, the undisputed prior art of record did not render the Respondents' claimed "invention" unpatentable under § 103, because Petitioner had not gone further and proved, beyond genuine dispute and by "clear and convincing evidence", that "there was a suggestion or motivation to combine the teachings of Asano with an electronic control in the particular manner claimed by claim 4 of the '565 patent." App. at 12a. The Federal Circuit accordingly remanded for determination "whether a person of ordinary skill in the art *would have been motivated*, at the time the invention was made, to attach an electronic control to the support structure of the pedal assembly disclosed by the Asano patent". *Id.* at 16a-17a (emphasis added).

As exemplified by the decision below, the Federal Circuit "teaching-suggestion-motivation test" represents both (a) a major downward departure from the substantive standard of patentability prescribed in § 103 as construed by this Court, and (b) an all but insuperable barrier to any predictable, quick, or inexpensive determination of

patentability under § 103 even where, as here, the contents of documentary prior art are completely undisputed.

As articulated and applied by the Federal Circuit, the "teaching-suggestion-motivation test" purportedly enables a patent applicant or patentee to contest the invalidating legal effect of prior art references, and to claim patent protection for the most trivial of differences between a claimed "invention" and prior art, through the simple expedient of asserting that a hypothetical "person having ordinary skill in the art" purportedly would have lacked "motivation to combine" prior art references in "the particular manner claimed" in a patent or patent application.

If such an assertion is made, then the ultimate question of patent validity under § 103 effectively ceases to be question of law, *Graham*, 383 U.S. at 17, but is made to depend, instead, on the outcome of hugely costly and unpredictable litigation over whether a hypothetical "person having ordinary skill in the art" would have had hypothetical "motivation to combine" pre-existing components for a particular application at a point in time.

The Federal Circuit construes § 103(a) as purportedly *precluding* a legal conclusion of invalidity in the absence of specific factual findings that satisfy that court's "teaching-suggestion-motivation test". In practical effect, the Federal Circuit has recast § 103 as providing, not "conditions for patentability" (as its title states), but rather "conditions for *challenges* to patentability." The result is a radically circumscribed statute and an exceptionally low standard of patentability mandated by neither Congress nor this Court.

REASONS FOR GRANTING THE PETITION

The decision below is in direct conflict with this Court's precedents, the law of at least seven (7) regional Circuits, and the text of § 103 itself. The divergence between this Court's precedents and existing Federal Circuit precedent is so blatant that commentators and casebook editors in the field of patent law routinely describe the Federal Circuit's

precedents on § 103 as "abolish[ing]," "ignor[ing]," or "dismissing" controlling Supreme Court precedent.

The Federal Circuit has itself acknowledged that there is a circuit split on this issue. Furthermore, in contrast to the "practical test of patentability" envisioned by this Court in *Graham*, the Federal Circuit has held that even the expert fact finders at the Patent and Trademark Office are forbidden from using "common sense" in applying § 103. *See In re Lee*, 277 F.3d 1338, 1345 (Fed. Cir. 2002). Two national studies on reform of the patent system have identified the § 103 precedents of the Federal Circuit as ripe for reform. Review by this Court is urgently needed in this area; this case provides a good vehicle to provide such review.

I. THE FEDERAL CIRCUIT HAS DEPARTED FROM THIS COURT'S PRECEDENTS CONSTRUING § 103.

This Court has applied the standard of patentability set forth in § 103 in six cases; in five cases of those cases, the Court held that the claimed subject matter was unpatentable under § 103. In none of those cases did this Court hold that the statute was inapplicable to a claimed invention in the absence of some proven "teaching, suggestion, or motivation" to combine or modify prior art references.

In *Graham v. John Deere Co.*, the Court invalidated a patent on a novel clamp for attaching a plough shank to the frame of the plough. This Court recognized that "all of the elements" in Graham's patent could be found in the prior art, but the arrangement of those elements in Graham's patent was somewhat different ("the position of the shank and hinge plate appears reversed" in the prior art, *see* 383 U.S. at 26). Nevertheless, this Court held that the "mere" reversal in the arrangement of two elements from the prior art "presents no operative mechanical distinctions, much less nonobvious differences." *Id.* The Court did not require, as the Federal Circuit did in the panel decision below, "specific findings showing a teaching, suggestion, or motivation to combine prior art teachings in the particular manner claimed by the patent at issue." If that standard had been applied, *Graham* would have been decided

differently because Graham's patent combined prior art elements in a particular manner (with two elements reversed in position) and the Court had no factual findings concerning any prior art teaching, suggestion, or motivation to combine the prior art element in that particular manner.

Similarly, *Calmar, Inc. v. Cook Chemical Co.* (a companion case decided with *Graham*, *see* 383 U.S. at 26), this Court held obvious, and thus invalid, a patent on a "combination of admittedly old elements," *id.* at 29. The invalidated patent covered a novel type of overcap for use with an insecticide pump sprayer (i.e., a cap for a can of bug spray). One difference between the patented combination and the prior art was that the patented cap included a "rib" seal; such seals had previously been used with caps for pour spouts but not for pump sprayers. Nevertheless, this Court held that "[t]he substitution of a rib built into a collar likewise presents no patentable difference above the prior art" because that type of seal was "fully disclosed" in an earlier patent on a pour spout. *Id.* at 35. The Court did not require any specific factual findings that the prior art included a teaching, suggestion, or motivation to combine the rib seal with existing pump sprayer caps.

United States v. Adams, 383 U.S. 39 (1966), is the third of the cases argued on the same day as *Graham*; it is the only case in which this Court has ever sustained a patent as nonobvious under the § 103 standard. As in *Graham* and *Cook Chemical*, the patent in *Adams* (which covered a new type of battery) consisted of a novel combination of pre-existing elements from the prior art. In sustaining Adams' patent, however, this Court did not merely note that the prior art failed to include a suggestion to combine the relevant elements in the particular manner claimed by Adams. Rather, this Court considered many factors, including (i) that the operating characteristics of Adams' battery were "wholly unexpected[]" and had "certain valuable operating advantages over other batteries," *id.* at 51; (ii) that the particular type of battery Adams had sought to invent was considered "not practical" prior to his

discovery, *id.* at 52; and (iii) that "noted experts expressed disbelief" that the Adams battery could possibly work, *id.*

In *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969), the alleged invention was a machine for paving a road with blacktop; it was merely a combination of "four elements known in the prior art [mounted] on one chassis." *Id.* at 59. Again, this Court required no "specific findings" that the prior art contained some teaching, suggestion, or motivation for combining the elements in the particular manner claimed in the patent. Rather, this Court reaffirmed its longstanding doctrine that, where a patent covers merely a combination of old elements, the patent will not be valid unless the combination produces "a new or different function" or demonstrates a "synergistic result," which the Court defined "an effect greater than the sum of the several effects taken separately." *Id.* at 60-61. The Court identified this requirement as the "the test of validity of combination patents." *Id.* at 60.

Dann v. Johnson, 425 U.S. 219, 222 (1976), concerned a patent application on a computerized system for "provid[ing] bank customers with an individualized and categorized breakdown of their transactions during the period in question." The PTO rejected the application on several grounds, including that the alleged invention was obvious. The Court of Customs and Patent Appeals (CCPA)—a predecessor court of the Federal Circuit—reversed and held that the invention was not obvious. This Court granted certiorari and reversed the CCPA. In holding the alleged invention obvious under § 103, this Court cautioned that "it is important to remember that the criterion is measured not in terms of what would be obvious to a layman, but rather what would be obvious to one 'reasonably skilled in [the applicable] art.'" *Id.* at 229. The Court frankly acknowledged that "[t]here may be differences between respondent's invention and the state of the prior art." *Id.* Nonetheless, the Court—without demanding any "specific findings" of the sort now routinely demanded by the Federal Circuit—held that "[t]he gap between the prior art and respondent's system is simply

not so great as to render the system nonobvious to one reasonably skilled in the art." *Id.* at 230.

Finally, in *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 274 (1976), the Court invalidated a patent covering a novel "water flush system to remove cow manure from the floor of a dairy barn." As this Court noted, the idea of using water to flush animal stalls dates back ancient times. *See id.* at 275 n.1 (citing the Hercules' fifth labor—cleaning the Augean stables). Because all of the relevant elements of the patented combination existed in the prior art, *see id.* at 275, this Court applied "the test of validity of combination patents" that had been applied in *Anderson's-Black Rock, id.*, at 282. The Court rejected the argument that "the combination of these old elements to produce an abrupt release of water directly on the barn floor from storage tanks or pools can properly be characterized as synergistic." *Id.* "Rather," the Court held, "this patent simply arranges old elements with each performing the same function it had been known to perform," and "[s]uch combinations are not patentable under standards appropriate for a combination patent." *Id.*

Prior to the creation of the Federal Circuit in 1982, at least seven (7) of the regional Courts of Appeals had cited and followed *Sakraida, Anderson's-Black Rock,* and their many predecessor cases, when analyzing the validity of combination patent claims such as the patent claim at issue in this case.[5] These Courts of Appeals were following the wisdom set forth in this Court's opinion in *Sakraida*:

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[5] *E.g., Shakelton v. J. Kaufman Iron Works, Inc.*, 689 F.2d 334, 339 (2d Cir. 1982) (citing *Sakraida* for the propositions that "[t]he starting point for a court's judgment on the obviousness of a combination patent is to examine the function of the components in their prior context alongside the functions they perform in their new combination" and that "[a] change of function for a well known element of a combination patent is a benchmark of nonobviousness"); *Carson Mfg. Co. v. Carsonite Int'l Corp.*, 686 F.2d 665 (9th Cir. 1981) ("A combination patent will be upheld only if it produces an 'unusual' or 'surprising' result"); *John Zink Co. v. National Airoil Burner Co.*, 613 F.2d 547, 551 (5th Cir. 1980) ("The combined elements must perform a new or different function, produce 'unusual or surprising consequences,' or cause a synergistic result"); *Reinke Mfg. Co. v. Sidney Mfg. Corp.*, 594 F.2d

(Cont'd)

> Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. . . . A patent for a combination which only unites old elements with no change in their respective functions . . . obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men.

Sakraida, 425 U.S. at 281.

The Federal Circuit, however, has simply refused to accept or abide "[t]he prevailing law in this and other courts as to what is necessary to show a patentable invention when a combination of old element is claimed," *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 530 (1972), notwithstanding that this law "was clearly evident from the cases when the [1952 Patent] Act was passed." *Id.*

Less than a year into its history, in 1983, the Federal Circuit boldly repudiated the "test of validity of combination patents" that this Court had applied in *Sakraida* and *Anderson's-Black Rock*, and numerous prior cases over a 100+ year period, on the basis that there purportedly was "no warrant" for this Court's case law treatment of combination patents and the very concept of a "combination patent" was purportedly "meaningless":

> There is no warrant for judicial classification of patents, whether into 'combination' patents and

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(Cont'd)

644, 648 (8th Cir. 1979) ("if the claims cover a structure that combines old and well known elements, one of the factors this court must look for in determining whether the patents meet section 103 requirements is synergism: that which results in an effect great than the sum of the several effects taken separately"); *Deere & Co. v. Hesston Corp.*, 593 F.2d 956, 962 (10th Cir. 1979) ("in order for the combination of old elements to prevail, there must be a synergistic effect"); *American Seating Co. v. National Seating Co.*, 586 F.2d 611, 620 (6th Cir. 1978) ("the combination, in order to be patentable, must produce a synergistic effect or result"); *Scully Signal Co. v. Electronics Corp. of Am.*, 570 F.2d 35, 360 n.5 (1st Cir. 1977) ("a combination patent must achieve an effect greater than the sum of the several effects taken separately").

> some other unnamed and undefined class or otherwise. Nor is there warrant for different treatment or consideration of patents based on a judicially devised label. Reference to 'combination' patents is, moreover, meaningless.

Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1566 (Fed. Cir. 1983). *See also Medtronic, Inc. v. Cardiac Pacemakers, Inc.*, 721 F.2d at 1563, 1566 (Fed. Cir. 1984) ("It but obfuscates the law to posit a non-statutory, judge-created classification labeled 'combination patents'").[6]

Having thus peremptorily rejected this Court's entire body of case law on combination patents (exemplified by the Federal Circuit's failure in this case to cite or distinguish *Sakraida, Anderson's-Black Rock*, or other of this Court's cited by Petitioner below), the Federal Circuit then proceeded, in the mid-1980's, to fashion a new and radical re-interpretation of § 103(a), one that purported to recast that statute as limiting only *challenges* to patent claims, as distinct from limiting what can be claimed as a patentable "invention" in the first instance.

Under the Federal Circuit's re-interpretation of § 103(a), an article of manufacture described in a patent application—no matter what its nature—is automatically presupposed to constitute an "invention" that can be patented. Far from limiting what an applicant can claim as an "invention", the Federal Circuit construes § 103(a) as imposing significant hurdles that an accused infringer challenging a patent, or an Examiner passing on a patent application, must clear before any patent claim, whether in an application or in an issued patent, can be held obvious.

In particular, the Federal Circuit holds that "prior art" cannot render claimed subject matter unpatentable under 35 U.S.C. § 103(a) unless a challenger proves with

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[6] Contrary to the Federal Circuit's suggestion, the Patent Act of 1952, 35 U.S.C. §§ 101-376, expressly acknowledges the existence of "combination" patents as a distinct category of patents. *E.g.*, 35 U.S.C. § 112 ("An element in a claim for a combination may be expressed. . . ."); 35 U.S.C. § 271(c) ("Whoever offers . . . a component of a patented . . . combination. . . .").

"evidence" – and the PTO or a court makes "specific findings" – demonstrating the existence of "some 'suggestion, teaching, or motivation' that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the particular manner claimed". App. at 8a.

Under this standard, a patent application claiming nothing more than an aggregation of pre-existing elements *must* be held to meet the patentability standard of § 103 unless the PTO can meet the difficult factual burden imposed on it by the Federal Circuit. Moreover, in meeting that burden, the PTO must produce detailed evidence and it is forbidden to rely on "common sense." *In re Lee*, 277 F.3d 1338 (Fed. Cir. 2002).

Once a patent has issued, the Federal Circuit construes 35 U.S.C. §§ 103(a) and 282(2) as precluding a challenge to validity of a patent claim in the absence of proof by "clear and convincing evidence" that a hypothetical person having ordinary skill in the art would have had a hypothetical "motivation to combine the prior art teachings in the particular manner claimed". App. at 8a. The Federal Circuit imposes this "clear and convincing evidence" burden of proof even where, as here, a challenger relies on documentary prior art that was never considered by the PTO during the prosecution of a patent, and the question is what legal consequences flow from undisputed prior art.

The advent of the Federal Circuit's "teaching-suggestion-motivation test" has meant, among other things, the death of this Court's holdings in *Anderson's-Black Rock* and *Sakraida*. Since 1985 (when the "teaching-suggestion-motivation test" emerged in the Federal Circuit), no Federal Circuit judge has cited *Anderson's-Black Rock*. *Sakraida* has been cited only twice, with the most recent citation coming ten years ago in a dissent, and then the citation was only for the uncontroversial point that obviousness is a question of law. *See Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512 (Fed. Cir. 1995) (Nies, J., dissenting).

Numerous commentators and casebook authors have noted the divergence between the Federal Circuit's

precedents and this Court's decisions in *Sakraida* and *Anderson's-Black Rock*. As one of the leading patent law casebooks candidly puts it, "[i]n its early decisions, the Federal Circuit essentially repudiated the holdings of *Anderson's-Black Rock* and *Sakraida*." Martin J. Adelman, Randall R. Rader, John R. Thomas, & Harold C. Wegner, *Cases and Materials on Patent Law* 345 (2d ed. 2003). Remarkably, this casebook is co-authored by Judge Randall Rader who currently sits on the Federal Circuit.

Many other commentators have noted the divergence between Federal Circuit and this Court's precedents on the construction of 35 U.S.C. § 103(a). They have viewed the Federal Circuit's action as "abolish[ing]," "ignor[ing]," or "dismissing" Supreme Court precedent, as exemplified by the quotations below:

> "The impact of *Anderson's-Black Rock* and *Sakraida*, however, has not been significant. The Court of Appeals for the Federal Circuit, which exercises exclusive jurisdiction over patent appeals, essentially has ignored these decisions. . . ." A. Samuel Oddi, *Beyond Obviousness: Invention Protection in the Twentieth Century*, 38 Am. U. L. Rev. 1097, 1123 (1989).
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> "[T]he Federal Circuit has neatly abolished such Supreme Court pronouncements [on obviousness] as . . . [listing the "synergism" test from *Sakraida*, among others]. . . . The end result is that the Federal Circuit has expressly dismantled many of the mechanisms the Supreme Court relied upon when deciding obviousness questions." Paul M. Janicke, *The Federal Circuit and Antitrust: To Be or Not to Be: The Long Gestation of the U.S. Court of Appeals for the Federal Circuit (1887-1982)*, 69 Antitrust L.J. 645, 661-62 (2002).
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> "In rejecting 'synergism' as a requirement of invention, and the notion of a separate category of for 'combination patents,' the *Stratoflex* court [*Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530

> (Fed. Cir. 1983)] confronted substantial Supreme Court authority. The Court had historically held mechanical inventions that combined old elements—'combination' patents—to a more stringent standard than other inventions." Paul Goldstein, *Copyright, Patent, Trademark and Related State Doctrines* 459 (2002).
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> "The Federal Circuit simply ignored without comment these intervening opinions [in *Anderson's-Black Rock* and *Sakraida*]. . . ." Roger E. Schechter and John R. Thomas, *Intellectual Property: The Law of Copyrights, Patents and Trademarks* § 17.3.2.1, at 380 (2003).
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> "Completely dismissing the Supreme Court's 'synergistic results' rule, the Federal Circuit requires that for a combination invention to be obvious, the suggestion or motivation to make the specific combination must be found in the prior art." Phillipe Ducor, *Recombinant Products and Obviousness: A Typology*, 13 Santa Clara Computer & High Tech. L. J. 1, 58 (1997).

Although the divergence between this Court's § 103 precedents and the Federal Circuit's can best be seem by comparing the Federal Circuit's precedents on combination patents with *Sakraida* and *Anderson's-Black Rock*, the tension runs deeper. As Professor Robert Merges has noted, "implicit in the Supreme Court's Graham v. John Deere analysis is a 'rejection of some of the more extreme Federal Circuit cases on the so-called suggestion test.'" FTC Report, Chap. 4, at 12 n.72 (quoting testimony of Professor Robert P. Merges). The basic point here is that this Court held invalid the patent in *Graham* without the sort of detailed evidentiary showing that the Federal Circuit now requires as a matter of course before any modification of the prior art can be deemed unpatentable under § 103.

II. THERE IS AN ACKNOWLEDGED CIRCUIT SPLIT.

In *Allen Engineering Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336 (Fed. Cir. 2002), the Federal Circuit acknowledged that its "teaching-suggestion-motivation test" conflicts with the

precedents of at least one other Circuit. In that case, the party challenging patent validity relied on precedents from the Fifth Circuit, which is one of the many circuits that have interpreted this Court's decisions in *Anderson's-Black Rock* and *Sakraida* as requiring a combination of old elements to "produce 'unusual or surprising consequences,' or cause a synergistic result" in order for the combination to be patentable. *John Zink Co. v. National Airoil Burner Co.*, 613 F.2d 547, 551 (5th Cir. 1980). The *Allen Engineering* Court stated that the "Fifth Circuit 'synergism' test for the patentability of combination inventions [is] a test which was specifically abrogated in this Circuit by *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1540 (Fed. Cir. 1983)."

The Fifth Circuit's "synergism" test was, of course, drawn directly from the language this Court used in *Anderson's-Black Rock* and *Sakraida*. *See* 425 U.S. at 282. Unsurprisingly then, the Fifth Circuit is not the only Circuit to adhere to the *Sakraida* "synergism" test for determining the validity of combination patents. As previously noted (see note 5, *supra*), at least seven of the regional circuits have followed this test.

The split here is not just a matter of semantics. As discussed above, the decisions of this Court preclude patent protection for combinations of pre-existing elements, unless the combination exhibits something more than each old element "performing the same function it had been known to perform." *Sakraida*, 425 U.S. at 282. The regional Circuits that require synergistic effects are following that doctrine.

Under the Federal Circuit's "teaching-suggestion motivation test", by contrast, showing that each element in a claimed combination performs "the same function it had been known to perform," *id.*, is not enough to establish a legal conclusion of unpatentability under § 103 – as this case well-illustrates. Rather, the Federal Circuit makes patentability depend on the outcome of costly and unpredictable litigation over the existence or non-existence of some "teaching, suggestion, or motivation" to combine pre-existing elements, regardless of whether the combination yields any new or different function or effect.

Proof that this circuit split matters is found in the *Allen Engineering* opinion itself, where the Federal Circuit went out of its way to chastise the litigants for even raising the synergism test.

The decisions of the circuits adhering to the "synergism" test arose out of appeals filed before most patent appeals were consolidated in the Federal Circuit. Nonetheless, there are good reasons for giving significant weight to this acknowledged circuit split.

First, under *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826 (2002), the Federal Circuit does not have exclusive jurisdiction of all cases presenting patent validity issues. Rather, as the Court held in *Holmes*, regional Circuits continue to have jurisdiction over cases (e.g., antitrust, contract, unfair competition cases) in which patent claims and issues are raised only in a defendant's counterclaim.

The implications of *Holmes* have been noted in academic commentary in the field. As one commentator described it, Federal Circuit precedents are likely to provoke circuit conflicts because the regional circuits "may" decide that they are bound by Supreme Court precedents rather than those of the Federal Circuit:

> "[T]he Federal Circuit for many years has flatly rejected the rule that a combination patent must reflect 'synergism' to be valid when faced with an obviousness challenge, so the Supreme Court has never needed to overrule its older pronouncements regarding the synergism requirement. Nevertheless, a regional circuit exercising jurisdiction over a counterclaim for patent validity may decide that it is bound to follow those pronouncements, because, of course, only the Supreme Court is empowered to overrule its prior precedents." Elizabeth I. Rogers, *The Phoenix Precedents: The Unexpected Rebirth of Regional Circuit Jurisdiction Over Patent Appeals and the Need for a Considered Congressional Response*, 16 Harv. J. Law & Tech. 411 (2003).

Second, in his concurring opinion in *Holmes*, Justice Stevens stated that one benefit of some decentralization in patent appeals is that circuit splits could be helpful to this Court in identifying cases for granting certiorari:

> "Necessarily, therefore, other circuits will have some role to play in the development of this area of the law. An occasional conflict in decisions may be useful in identifying questions that merit this Court's attention. Moreover, occasional decisions by courts with broader jurisdiction will provide an antidote to the risk that the specialized court may develop an institutional bias."

535 U.S. at 839. This concurrence suggests that the Court will continue to use circuit splits to help decide which patent cases to review. Prior practice suggests that this Court does continue to use circuit splits in this way. For example, in *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 25 (1998), the petitioner argued, as one reason for granting certiorari, that the Federal Circuit had diverged from the approach taken by regional circuits prior to the creation of the Federal Circuit. *See* Petition for a Writ of Certiorari in *Pfaff v. Wells Electronics, Inc.*, 1998 WL 34081020, at *9-10 & n.10. This Court granted certiorari and, in its opinion, specifically noted the circuit split as one factor justifying the court's grant of certiorari. *See* 525 U.S. at 60.

Finally, the circuit split is only one of several factors that make this case fit comfortably within the category of patent cases in which this Court has recently granted review. Since 1995, this Court has reviewed patent cases at a rate of roughly one case per Term. *See* John F. Duffy, *The* Festo *Case and the Return of the Supreme Court to the Bar of Patents*, 2002 S. Ct. Rev. 273, 297-98 (2003) (collecting data).[7] Review of these cases suggest that this Court has been willing to "assert some degree of supervision over the Federal

[7] This article charts the five year average of this Court's rate of review in patent cases from the 1950 through 2001 Terms. If the chart were extended to the 2004 Term, the current rate of review in patent cases would .8 per term (averaged over five years) or .9 per term (averaged over ten years).

Circuit—even on statutory issues of patent policy", and even where review is not necessary "to maintain the uniform application of federal law" or "to resolve a conflict between the Federal Circuit and the legal position of the Executive Branch." *Id.* at 298-99.

In this case, of course, a circuit split does exist, as in *Pfaff*. There is also a serious claim that lower court precedents have "strayed beyond the parameters of the Court's patent jurisprudence," *id.* at 340, as there was in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushuki Co.*, 535 U.S. 722 (2002). And, as in *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int'l, Inc.*, 534 U.S. 124 (2001), the issue here involves a fundamental legal principle that controls the scope of the patent system. The need for certiorari is at least as great in this case as it was in those prior cases; indeed, the need here is greater because the issue in each of those prior cases affected only a subset of patents, while the issue here is relevant to all patents.

III. TWO NATIONAL STUDIES HAVE IDENTIFIED THE FEDERAL CIRCUIT'S PRECEDENTS ON OBVIOUSNESS AS BEING IN NEED OF REFORM.

The Federal Circuit's interpretation of § 103 is now the subject of increasing criticism in government, industry, and the academy. Within the past two years, national institutions have completed two comprehensive studies of the patent system. Both studies recommended a small number of specific reforms; both identified the obviousness doctrine as an area in need of reform. These studies provide additional confirmation of the importance of this issue.

In October 2003, the Federal Trade Commission (FTC) released a comprehensive study of the U.S. patent system. See Federal Trade Commission, *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy* (Oct. 2003) ("FTC Report"). The FTC is one of the nation's chief enforcers of federal competition policy, and the FTC Report has its genesis in a series of hearings, undertaken jointly by the FTC and the U.S. Department of Justice, with the goal of "understand[ing] better the current relationship between competition and patent law and policy." FTC

Report, Executive Summary at 2. The FTC study further confirms the importance and ripeness of this Court's review of that controversial Federal Circuit-created "test".

The FTC recognized "the Federal Circuit's 'suggestion test' as a core issue in assessing nonobviousness and a focal point of current debate." FTC Report, Chap. 4, at 11. One key issue stressed in the FTC Report is a matter well presented in this case—the demanding standard of proof that the Federal Circuit applies to lower level fact finders. As the PTO's Deputy Commissioner for Examination Policy describes it, the Federal Circuit is "insisting that the PTO . . . 'connect the dots . . . very, very clearly.'" *Id.*

It is on this very point that the FTC recommended that the nonobviousness standard be reformed: "The Commission urges that in assessing obviousness, the analysis should ascribe to the person having ordinary skill in the art an ability to combine or modify prior art references that is consistent with the creativity and problem solving skills that in fact are characteristic of those having ordinary skill in the art." *Id.* at 15. This recommendation is consistent with the "practical test of patentability" mandated by this Court in *Graham*, but it is not the way that the Federal Circuit is applying § 103.

When the Report was issued, the Commission had hoped that the Federal Circuit might have been "mov[ing] away" from its previous "rigid application of the suggestion test." *Id.* at 14. But it was able to cite only "one very recent case" to support this optimistic view. Cases such this case—where the Federal Circuit overturned in an unpublished opinion the thoughtful and thorough opinion of a District Court with a demand that the lower court make more "specific findings" concerning suggestions in the prior art—demonstrate that the FTC was overly optimistic in expecting the Federal Circuit to reform its own jurisprudence. Rather, the Federal Circuit has continued to persist in "rigidly applying" its precedents to the point of "assum[ing] away . . . typical levels of creativity and insight" ordinarily found in the art. *Id.* As the FTC noted, such a test "supports

findings of nonobviousness even when only a modicum of additional insight is needed." *Id.*

In 2004, the National Research Council of the National Academies of Science and Engineering released a report calling for various reforms of the current patent system. *See* National Research Council, *A Patent System for the 21st Century* (2004) (available at http://www.nap.edu/html/patentsystem/0309089107.pdf). The report was produced by a committee of distinguished lawyers, economists, legal academics and corporate executives. The President of Yale University served as the Chair of the committee, and the report was funded by a broad cross-section of government agencies, foundations, and private corporations.[8] This distinguished committee "support[ed] seven steps to ensure the vitality and improve the functioning of the patent system." *Id.* at 5 (executive summary). The second recommendation was to "Reinvigorate the Non-Obviousness Standard." *Id.* at 6 (executive summary).

As detailed in that National Academies' Report, there is good reason for "concern[]" that recent court decisions have led to "some dilution of the non-obviousness standard." *Id.* at 59. The Report notes that "a number of legal scholars view the evolution of the law over the last generation as reducing the size of the step required for patentability under the non-obviousness standard and as allowing the issuance of patents on obvious inventions." *Id.* at 60 (citing the work over six scholars). The Report concludes that "there are reasons to be concerned about both the courts' interpretations of the substantive patent standards, particularly non-obviousness, and the USPTO's application of the standards in examination." *Id.*

The Report focused significant attention on the application of the nonobviousness standard to business method patents. In studying that area, the committee recognized one of the most important problems with the

[8] The study was funded by the National Aeronautics and Space Administration, the U.S. Department of Commerce, the Andrew W. Mellon Foundation, the Center for the Public Domain, Pharmacia Corporation, Merck & Company, Procter & Gamble, and IBM.

Federal Circuit's insistence on evidentiary proof that the prior art contains a "teaching, suggestion or motivation" demonstrating that certain combinations are obvious: "[C]reative people generally speaking strive to publish *non*-obvious information. So if it is obvious to those of skill in the art to combine references, it is unlikely that they will publish such information." *Id.* at 90. Though the Report singled out business method patents as one area where the excessively lax nonobviousness doctrine was having particularly bad consequences, the Report recognized that the problem with nonobviousness doctrine was likely to be more general. Indeed, the Report noted that some of the "apparently obvious patents" it had examined from outside the business method field "may have been approved not carelessly but under the prevailing rule that references should not be combined for the purpose of proving non-obviousness unless the examiner can point to a specific piece of prior art that says the references should be combined." *Id.*

IV. THIS CASE IS A GOOD VEHICLE FOR RESOLVING THE QUESTION PRESENTED.

For a variety of reasons, this case presents a good opportunity for the Court to review the Federal Circuit's "teaching-suggestion-motivation test." First, there is no reason to wait for further percolation of the Circuit split. The Federal Circuit's "test" is now at least two decades old, *see Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 297 (Fed. Cir. 1985) (reversing a district court's conclusion of obviousness because the court did not make findings to show that the prior art included "any factual teachings, suggestions or incentives . . . that showed the propriety of [patented] combination"), and the Federal Circuit has itself acknowledged the split between its precedents and those of at least one other circuit.

The "teaching-suggestion-motivation test" is so settled in the Federal Circuit that the court below did not even publish its decision vacating the District Court's judgment in this case. However, the decision not to publish should, if anything, be viewed as a reason to grant rather than to deny

certiorari, because non-publication confirms that the Federal Circuit precedents in this area are no longer in a formative and uncertain stage. In past cases, this Court has not hesitated to grant certiorari in cases with unpublished appellate opinions that have applied settled circuit law in conflict with the law of other circuits, *see, e.g., Spectrum Sports v. McQuillan*, 506 U.S. 447 (1993) (reviewing an unpublished court of appeals decision applying settled circuit law that was in conflict with the law of other circuits), or that have decided important issues of federal law, *see, e.g., Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826 (2002) (reversing an unpublished opinion applying settled Federal Circuit law).

Second, the District Court issued a detailed published opinion holding that Claim 4 of the '565 patent was invalid under § 103 in view of undisputed prior art. 298 F. Supp. 2d 581; App. at 18a-49a. The District Court's opinion demonstrates that the challenge to this patent claim's validity is substantial.

Third, this case has a good factual setting for deciding these issues. Respondents' appeal involved one claim in one patent. The '565 patent involves familiar technology (gas pedals in automobiles) that can be readily understood. The subject matter of the action involves goods of importance to the nation (high volume GM vehicles). And there is no question but that the '565 patent is a "combination patent" within the meaning of this Court's precedents which the Federal Circuit has repudiated.

Fourth, the facts of this case well illustrate how, in practice, the Federal Circuit's "teaching-suggestion-motivation test" both (a) severely weakens § 103 as a substantive limitation on what can be claimed as a purported "invention", and (b) virtually precludes summary adjudication of whether claimed subject matter satisfies the § 103 condition for patentability in a given case, or not. The Federal Circuit "test" ignores that exogenous changes – i.e., economic, regulatory or technological changes not attributable to the work of the alleged inventor – can create new possibilities that can be exploited, or new

needs that can be satisfied, with technological trivial combinations of existing technology. *See, e.g.*, Robert P. Merges and John F. Duffy, *Patent Law and Policy* 655 (3rd ed. 2002) (noting that "[e]xogenous economic forces, rather than technical achievement," may explain the emergence of a new combination that may be quite valuable in the market even though technically trivial); William M. Landis and Richard A. Posner, *The Economic Structure of Intellectual Property Law* 304 (Harvard 2003) (explaining that "sometimes an idea is unknown not because it would be costly to discover but because it has no value" and that "[i]f an exogenous shock gives it value, it will be discovered more or less simultaneously by a number of those who can exploit it"); John F. Duffy, *Rethinking the Prospect Theory of Patents*, 71 U. Chi. L. Rev. 439 (2004) (noting that an unexpected development like the rise of internet commerce in the mid-1990's can create many opportunities for "new but obvious ideas that have suddenly come to have evident economic value" and that, if the nonobviousness requirement is not well enforced, society could face a flood of patents which will exact a heavy price for obvious ideas).

So here, an exogenous development – a switch by automobile manufacturers to electronic throttle controls in the mid-1990's – created a need to combine pre-existing accelerator pedals with a pre-existing pedal position sensors, with each component doing what it was designed to do. This Court's precedents, and the precedents of at least seven (7) regional Circuits (see note 6 *supra*), clearly preclude patent protection for such technically trivial combinations. But under the Federal Circuit "teaching-suggestion-motivation test", truly obvious responses to exogenous developments can very easily be characterized as "inventions", for the "prior art" may not anticipate the exogenous development in question or specific details of obvious responses to it.

Finally, throughout this litigation Petitioner has cited and relied on this Court's *Sakraida* and *Anderson's-Black Rock* decisions and the "test of validity of combination patents" that those and prior Supreme Court cases have applied. This

case therefore provides this Court with a clear opportunity to review these important issues without concern that new issues are being raised for the first time in a petition for certiorari. Such opportunities are likely to be increasingly rare because the Federal Circuit has expressed its displeasure with counsel who cite precedents that conflict with the Federal Circuit's re-interpretation of § 103(a).

For example, in *Allen Engineering*, the Federal Circuit upbraided counsel for even citing a Fifth Circuit case that followed this Court's *Sakraida* decision. Citing such authority was, according to the Federal Circuit, an example of "obfuscation, deflection and mischaracterization," 299 F.3d at 1357, and demonstrated that counsel "have sought to cloud rather than clarify the central legal issues and to draw the court's attention to peripheral matters." *Id.* at 1356. Since the Federal Circuit has exclusive appellate jurisdiction over the vast majority of patent appeals, such rebukes are likely to be effective in deterring counsel from preserving their legitimate challenges to the existing Federal Circuit precedents in this area.

CONCLUSION

For the reasons stated, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX

APPENDIX A — DECISION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED JANUARY 6, 2005

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

04-1152

TELEFLEX, INCORPORATED and
TECHNOLOGY HOLDING COMPANY,

Plaintiffs-Appellants,

v.

KSR INTERNATIONAL CO.,

Defendant-Appellee.

DECIDED: January 6, 2005

Before MAYER,* SCHALL, and PROST, *Circuit Judges*.

SCHALL, *Circuit Judge*.

DECISION

Teleflex Incorporated and Technology Holding Company (collectively, Teleflex") sued KSR International Co. ("KSR") in the United States District Court for the Eastern District of

* Judge Haldane Robert Mayer vacated the position of Chief Judge on December 24, 2004.

Michigan for infringement of U.S. Patent No. 6,237,565 B1 ("the '565 patent"). On December 12, 2003, the district court granted summary judgment in favor of KSR, after determining that claim 4 of the '565 patent, the sole claim at issue, was invalid by reason of obviousness. *Teleflex Inc. v. KSR Int'l Co.*, 298 F. Supp. 2d 581 (E.D. Mich. 2003). Teleflex now appeals the district court's decision. For the reasons set forth below, we *vacate* the grant of summary judgment and *remand* the case to the district court for further proceedings.

DISCUSSION

I.

Claim 4 of the '565 patent relates to an adjustable pedal assembly[1] for use with automobiles having engines that are controlled electronically with a device known as an electronic throttle control. As such, the assembly of claim 4 incorporates an electronic pedal position sensor (referred to in claim 4, and throughout this opinion, as an "electronic control"). The electronic control is responsive to the pedal pivot and thereby generates an electrical signal corresponding to the relative position of the gas pedal between the rest and applied positions. Claim 4 specifically provides for an assembly wherein the electronic control is mounted to the support bracket of the assembly. This configuration avoids movement

1. An adjustable pedal assembly (e.g., gas, break, or clutch) allows the location of the pedal to be adjusted to accommodate a particular driver's height.

Appendix A

of the electronic control during adjustment of the pedal's position on the assembly. Claim 4 reads:

> A vehicle control pedal apparatus (12) comprising:
>
> a support (18) adapted to be mounted to a vehicle structure (20);
>
> an adjustable pedal assembly (22) having a pedal arm (14) moveable in force [sic] and aft directions with respect to said support (18);
>
> a pivot (24) for pivotally supporting said adjustable pedal assembly (22) with respect to said support (18) and defining a pivot axis (26); and
>
> an electronic control (28) attached to said support (18) for controlling a vehicle system;
>
> said apparatus (12) characterized by said electronic control (28) being responsive to said pivot (24) for providing a signal (32) that corresponds to pedal arm position as said pedal arm (14) pivots about said pivot axis (26) between rest and applied positions wherein the position of said pivot (24) remains constant while said pedal arm (14) moves in fore and aft directions with respect to said pivot (24).

The numbers in claim 4 correspond to the numbers in Figure 2 of the '565 patent.

Appendix A

The specification of the '565 patent indicates that prior-art pedal assemblies incorporating an electronic control suffered from being too bulky, complex, and expensive to manufacture. *See* '565 patent, col. 1, ll. 48-53. It was this problem that the '565 patent set out to address. *See id.* col. 2, ll. 2-5.

Teleflex sued KSR in the Eastern District of Michigan, alleging that KSR's adjustable pedal assembly infringed claim 4 of the '565 patent. KSR moved for summary judgment of invalidity of claim 4 based on obviousness under 35 U.S.C. § 103. The district court granted KSR's motion after determining that claim 4 was obvious in view of a combination of prior art references. Teleflex timely appealed the district court's decision. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

II.

This court reviews a district court's grant of summary judgment *de novo*. *Torpharm Inc. v. Ranbaxy Pharms., Inc.*, 336 F.3d 1322, 1326 (Fed. Cir. 2003). "In a patent case, as in any other, summary judgment may be granted when there are no disputed issues of material fact, . . . or when the non-movant cannot prevail on the evidence submitted when viewed in a light most favorable to it." *Knoll Pharm. Co. v. Teva Pharms. USA, Inc.*, 367 F.3d 1381, 1383 (Fed. Cir. 2004). The movant carries the initial burden of proving that there are no genuine issues of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-24, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). If the movant shows a *prima facie* case for summary judgment, then the burden of production shifts to

the nonmovant to present specific evidence indicating there is a genuine issue for trial. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986). "When ruling on a motion for summary judgment, all of the nonmovant's evidence is to be credited, and all justifiable inferences are to be drawn in the nonmovant's favor." *Caterpillar Inc. v. Deere & Co.*, 224 F.3d 1374, 1379 (Fed.Cir.2000). "Where the evidence is conflicting or credibility determinations are required, the judgment should be vacated rather than reversed, and the case should be remanded for further proceedings." *Jones v. Hardy*, 727 F.2d 1524, 1531 (Fed. Cir. 1984).

"The grant of summary judgment of invalidity for obviousness must be done on a claim by claim basis." *Knoll Pharm.*, 367 F.3d at 1383. Because patents are presumed valid, "[t]he accused infringer must prove by clear and convincing evidence that each claim that is challenged cannot reasonably be held to be non-obvious." *Id.*; *see also Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 881 (Fed. Cir. 1998). Clear and convincing evidence exists when the movant "place[s] in the mind of the ultimate fact finder an abiding conviction that the truth of its factual contentions are 'highly probable.' " *Colorado v. New Mexico*, 467 U.S. 310, 316, 104 S.Ct. 2433, 81 L.Ed.2d 247 (1994).

A patent claim is obvious, and thus invalid, when the differences between the claimed invention and the prior art "are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." 35 U.S.C. § 103; *see also Graham v. John Deere Co.*, 383 U.S. 1, 14, 86 S.Ct. 684, 15 L.Ed.2d

545 (1966); *In re Dembiczak*, 175 F.3d 994, 998 (Fed. Cir. 1999). While obviousness is ultimately a legal determination, it is based on several underlying issues of fact, namely: (1) the scope and content of the prior art; (2) the level of skill of a person of ordinary skill in the art; (3) the differences between the claimed invention and the teachings of the prior art; and (4) the extent of any objective indicia of non-obviousness. *See Graham*, 383 U.S. at 17-18. When obviousness is based on the teachings of multiple prior art references, the movant must also establish some "suggestion, teaching, or motivation" that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed. *See Tec Air, Inc. v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 1359-60 (Fed. Cir. 1999); *Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1572 (Fed. Cir. 1996). The nonmovant may rebut a *prima facie* showing of obviousness with evidence refuting the movant's case or with other objective evidence of nonobviousness. *See WMS Gaming, Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1359 (Fed. Cir. 1999).

"The reason, suggestion, or motivation to combine [prior art references] may be found explicitly or implicitly: 1) in the prior art references themselves; 2) in the knowledge of those of ordinary skill in the art that certain references, or disclosures in those references, are of special interest or importance in the field; or 3) from the nature of the problem to be solved, 'leading inventors to look to references relating to possible solutions to that problem.' " *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 665 (Fed.Cir.2000) (quoting *Pro-Mold*, 75 F.3d at 1572). "Our case law makes clear that the best defense against the subtle but powerful attraction of a

hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references." *Dembiczak*, 175 F.3d at 999; *see also Ruiz*, 234 F.3d at 665 (explaining that the temptation to engage in impermissible hindsight is especially strong with seemingly simple mechanical inventions). This is because "[c]ombining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight." *Dembiczak*, 175 F.3d at 999. Therefore, we have consistently held that a person of ordinary skill in the art must not only have had some motivation to combine the prior art teachings, but some motivation to combine the prior art teachings in the particular manner claimed. *See, e.g., In re Kotzab*, 217 F.3d 1365, 1371 (Fed.Cir.2000) ("Particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination *in the manner claimed.*" (emphasis added)); *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998) ("In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination *in the manner claimed.*" (emphasis added)).

III.

On appeal, Teleflex argues that we should vacate the district court's grant of summary judgment and remand the case because the district court committed multiple errors in

its obviousness determination. First, Teleflex urges that the district court erred as a matter of law by combining prior art references based on an incorrect teaching-suggestion-motivation test. Second, it contends that genuine issues of material fact still remain as to whether a person of ordinary skill in the art would have considered it obvious to combine prior art in the manner stated in claim 4. Finally, Teleflex argues that the district court erred by not properly considering the commercial success of Teleflex's patented assembly and by failing to give adequate deference to the patentability determination of the U.S. Patent and Trademark Office ("PTO").

KSR responds that the district court did apply the correct teaching-suggestion-motivation test, and that, under that test, the court correctly concluded that no genuine issues of material fact existed so as to prevent the grant of summary judgment. KSR contends that the district court properly discounted the declarations of Teleflex's experts because their opinions were based on mere legal conclusions. KSR also contends that the district court properly dismissed Teleflex's evidence of commercial success because Teleflex failed to establish a nexus between commercial success and the claimed invention. Finally, KSR argues that the district court gave proper deference to the PTO.

We agree with Teleflex that the district court did not apply the correct teaching-suggestion-motivation test. We also agree that, under that test, genuine issues of material fact exist, so as to render summary judgment of obviousness improper. For these reasons, we vacate the decision of the district court and remand for further proceedings consistent with this opinion.

Appendix A

IV.

After comparing the teachings of the prior art with claim 4 of the '565 patent, the district court concluded that, at the time of the invention, all of the limitations of claim 4 existed in the prior art. The court explained that U.S. Patent No. 5,010,782, issued to Asano et al. ("the Asano patent"), disclosed all of the structural limitations of claim 4 with the exception of the electronic control. *Teleflex*, 298 F. Supp. 2d at 592 ("Asano teaches an adjustable pedal assembly pivotally mounted on a support bracket with the pedal moving in a fore and aft directions with respect to the support and the pivot remaining in a constant position during movement of the pedal arm."). Electronic controls were well known in the prior art. *Id.* Consequently, after finding a person of ordinary skill in the art would have been motivated to combine Asano and electronic control references, the district court granted KSR's motion for summary judgment of invalidity by reason of obviousness.

The district court based its finding of a suggestion or motivation to combine largely on the nature of the problem to be solved by claim 4 of the '565 patent. *Id.* at 593-94. The court determined from the patent's specification that the invention of the '565 patent was intended to "solve the problem of designing a less expensive, less complex and more compact [assembly] design." *Id.* at 593. The court then explained that U.S. Patent No. 5,819,593, issued to Rixon et al. ("the Rixon '593 patent"),[2] also "suffered from being too

2. As explained by the district court, the Rixon '593 patent teaches the combination of an electronic control with an adjustable

(Cont'd)

complex because the pedal position sensor is located in the pedal housing and its fore and aft movement with the adjustment of the pedal could cause problems with wire failure. Thus, the solution to the problem required an electronic control that does not move with the pedal arm while the pedal arm is being adjusted by the driver." *Id.* at 594. The court then concluded that "a person with ordinary skill in the art with full knowledge of Asano and the modular pedal position sensors would be motivated to combine the two references to avoid the problems with Rixon '593." *Id.*

The district court also found an express teaching to attach the electronic control to the support bracket of a pedal assembly based on the disclosure of U.S. Patent No. 5,063,811, issued to Smith et al. ("the Smith patent"). The court explained that Smith teaches the use of a "rotary potentiometer . . . attached to a fixed support member and responsive to the pedal's pivot shaft." *Id.* Moreover, the court stated that Smith provided express teachings as to the desirability of attaching the electronic control to a fixed support member in order to avoid the wire failure problems disclosed in the Rixon '593 patent and solved by the '565 patent: "[T]he wiring to the electrical components must be secure from the possibility of chafing which will eventually

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(Cont'd)

pedal assembly. The Rixon '593 patent and claim 4 differ, however, in that the electronic control of Rixon is attached to the pedal housing instead of the support bracket. *See Teleflex*, 298 F.Supp.2d at 594. The electronic control of the Rixon reference consequently moves during adjustment of the pedal assembly. *Id.* The electronic control of claim 4 does not move during adjustment of the pedal assembly.

result in electrical failure. Thus, the pedal assemblies must not precipitate any motion in the connecting wires themselves. . . ." *Id.* (quoting the Smith patent, col. 1, ll. 33-38).

Finally, the district court explained that the prosecution history of the '565 patent bolstered its finding of a suggestion or motivation to combine the Asano and electronic control references. The court explained that the patent examiner initially rejected the '565 patent in view of the teachings of U.S. Patent No. 5,460,061, issued to Redding et al. ("the Redding patent"), and the Smith patent. The examiner stated that the Redding patent disclosed the assembly structure of claim 4 and that Smith disclosed the electronic control attached to the assembly support structure. The patentee overcame the rejection, the court explained, by adding the limitation requiring the position of the assembly's pedal pivot to remain constant during adjustment of the assembly. (The position of the pedal pivot of the Redding patent does not remain constant during adjustment of the assembly position.) However, the Asano patent discloses an assembly where the position of the pivot remains constant during adjustment of the pedal assembly. Therefore, the district court reasoned, had Asano been cited to the patent examiner, the examiner would have rejected claim 4 as obvious in view of the Asano and Smith patents. *Id.* at 595.

We agree with Teleflex that the district court's analysis applied an incomplete teaching-suggestion-motivation test in granting KSR summary judgment. This is because the district court invalidated claim 4 of the '565 patent on obviousness grounds without making "finding[s] as to the

specific understanding or principle within the knowledge of a skilled artisan that would have motivated one with no knowledge of [the] invention to make the combination in the manner claimed." *Kotzab*, 217 F.3d at 1371. Under our case law, whether based on the nature of the problem to be solved, the express teachings of the prior art, or the knowledge of one of ordinary skill in the art, the district court was required to make specific findings as to whether there was a suggestion or motivation to combine the teachings of Asano with an electronic control in the particular manner claimed by claim 4 of the '565 patent. *See Kotzab*, 217 F.3d at 1371; *Rouffet*, 149 F.3d at 1357. That is, the district court was required to make specific findings as to a suggestion or motivation to attach an electronic control to the support bracket of the Asano assembly.

The district court correctly noted that the nature of the problem to be solved may, under appropriate circumstances, provide a suggestion or motivation to combine prior art references. However, the test requires that the nature of the problem to be solved be such that it would have led a person of ordinary skill in the art to combine the prior art teachings in the particular manner claimed. *See Rouffet*, 149 F.3d at 1357. We have recognized this situation when two prior art references address the precise problem that the patentee was trying to solve. *See Ruiz*, 357 F.3d at 1276 ("This record shows that the district court did not use hindsight in its obviousness analysis, but properly found a motivation to combine because the two references address precisely the same problem of underpinning existing structural foundations."). In this case, the Asano patent does not address the same problem as the '565 patent. The objective of the

'565 patent was to design a smaller, less complex, and less expensive electronic pedal assembly. The Asano patent, on the other hand, was directed at solving the "constant ratio problem."[3] The district court's reliance on the problems associated with the Rixon '593 patent similarly fails to provide a sufficient motivation to combine. This is because the Rixon '593 patent does not address the problem to be solved by the '595 patent; rather, it suffers from the problem. The court did not explain how suffering from the problem addressed by the '595 patent would have specifically motivated one skilled in the art to attach an electronic control to the support bracket of the Asano assembly.

Neither do we agree with the district court's reliance on the express teachings of the Smith patent. This is because the statement in the Smith patent that "the pedal assemblies must not precipitate any motion in the connecting wires," does not necessarily go to the issue of motivation to attach the electronic control on the support bracket of the pedal assembly. In other words, solving the problem of wire chafing is a different task than reducing the complexity and size of pedal assemblies. What is more, the Smith patent does not relate to adjustable pedal assemblies; therefore, it does not address the problem of wire chafing in an adjustable pedal assembly.

Our view of the case is not altered by the '565 patent's prosecution history. That is because a court's task is not to

3. The constant ratio problem refers to the problem of creating an assembly where the force required to depress the pedal remains constant irrespective of the position of the pedal on the assembly. *See* Asano patent, col. 1, l. 48-col. 2, l. 13.

speculate as to what an examiner might have done if confronted with a piece of prior art. Rather, a court must make an independent obviousness determination, taking into account the statutory presumption of patent validity. *See Torpharm*, 336 F.3d at 1329-30 ("[W]here the factual bases of an examiner's decision to allow a claim have been undermined—as in other cases where prior art not before the examiner is brought to light during litigation—a court's responsibility is not to speculate what a particular examiner would or would not have done in light of the new information, but rather to assess independently the validity of the claim against the prior art under section 102 or section 103. Such determination must take into account the statutory presumption of patent validity.").[4]

We also agree with Teleflex that the presence of genuine issues of material fact rendered summary judgment inappropriate. KSR, in the first instance, failed to make out a *prima facie* case of obviousness. The only declaration offered by KSR—a declaration by its Vice President of Design Engineering, Larry Willemsen—did not go to the ultimate issue of motivation to combine prior art, i.e. whether one of ordinary skill in the art would have been motivated to attach an electronic control to the support bracket of the assembly disclosed by Asano. Mr. Willemsen did state that

4. Noting Teleflex's argument that the district court did not give adequate deference to the PTO, we do not discern anything in the record indicating the district court failed to properly defer to the PTO. Nevertheless, we reiterate that, on remand, the district court must independently assess the evidence and determine whether KSR has provided clear and convincing evidence indicating invalidity of claim 4 by reason of obviousness.

an electronic control "could have been" mounted on the support bracket of a pedal assembly. (Willemsen Decl. at ¶ 33, 36, 39.) Such testimony is not sufficient to support a finding of obviousness, however. *See, e.g., In re Deuel*, 51 F.3d 1552, 1559 (Fed. Cir. 1995) (" 'Obvious to try' has long been held not to constitute obviousness."). Mr. Willemsen also provided the following as a "specific motivation to combine" an electronic control with an adjustable pedal assembly:

> [A]n increasing number of vehicles sold in the United States came equipped with electronic throttle control systems because such systems offered various operational advantages over cable-actuated throttle control systems. . . . In order to function in a vehicle whose engine incorporated an electronic throttle control, the adjustable pedal assembly . . . would have had to be coupled to an electronic pedal position sensor.

(Willemsen Decl. at ¶ 34, 37, 39.) This statement may be factually correct. However, the issue is not whether a person of skill in the art had a motivation to combine the electronic control with an adjustable pedal assembly, but whether a person skilled in the art had a motivation to attach the electronic control to the support bracket of the pedal assembly.

In addition, Teleflex offered two declarants—Clark J. Radcliffe, Professor of Mechanical Engineering at Michigan State University; and Timothy L. Andresen, a former engineer at Ford Motor Company and McDonnel-Douglas

Corporation—in rebuttal of the declaration of Mr. Willemsen. Mr. Radcliffe stated, *inter alia*, that "[t]he location of the electronic control" (Radcliffe Decl. at ¶ 15) in claim 4 "was a simple, elegant, and novel combination of features," (Radcliffe Decl. at ¶ 16) as opposed to the Rixon '593 patent's attachment of the electronic control to the assembly housing, which was both electrically and mechanically complex (Radcliffe Decl. at ¶ 17). Mr. Andresen also stated that the non-obviousness of claim 4 was reflected in Rixon's choice to mount the electronic control to the assembly housing instead of the assembly's support bracket. (Andresen Decl. at ¶ 5.) At the summary judgment stage of a proceeding, it is improper for a district court to make credibility determinations. *See, e.g., Jones*, 727 F.2d at 1531. Therefore, by crediting KSR's expert declarant and discrediting the two declarants offered by Teleflex, the district court erred as a matter of law.

V.

In sum,

(1) We hold that, in granting summary judgment in favor of KSR, the district court erred as a matter of law by applying an incomplete teaching-suggestion-motivation test to its obviousness determination. The correct standard requires a court to make specific findings showing a teaching, suggestion, or motivation to combine prior art teachings in the particular manner claimed by the patent at issue.

(2) Under this standard, we hold that genuine issues of material fact exist as to whether a person of ordinary skill in

the art would have been motivated, at the time the invention was made, to attach an electronic control to the support structure of the pedal assembly disclosed by the Asano patent.

(3) We consequently *vacate* the decision of the district court and *remand* the case for further proceedings on the issue of obviousness, and, if necessary, proceedings on the issues of infringement and damages.

Each party shall bear its own costs.

APPENDIX B — OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN FILED DECEMBER 12, 2003

CASE NO. 02-74586
HON. LAWRENCE P. ZATKOFF

TELEFLEX INCORPORATED, and
TECHNOLOGY HOLDING COMPANY,

Plaintiffs,

v.

KSR INTERNATIONAL CO.,

Defendant.

OPINION AND ORDER

AT A SESSION of said Court, held in the United States Courthouse, in the City of Detroit, State of Michigan, on December 12, 2003.

PRESENT: THE HONORABLE LAWRENCE P. ZATKOFF
CHIEF UNITED STATES DISTRICT JUDGE

I. INTRODUCTION

This matter is before the Court on Plaintiffs' *Ex Parte* Motion for Oral Argument, Plaintiffs' Motion for Summary Judgment of Infringement and Defendant's Motion for Summary Judgment of Invalidity. All motions have been fully

briefed by the parties. The Court finds that the parties have adequately set forth the relevant law and facts, and that oral argument would not aid in the disposition of the instant motion. *See* E.D. MICH. L.R. 7.1(e)(2). Accordingly, Plaintiffs' motion for oral argument is DENIED and the Court ORDERS that the motions be decided on the briefs submitted. For the reasons stated below, Defendant's Motion for Summary Judgment of Invalidity is GRANTED and Plaintiffs' Motion for Summary Judgment of Infringement is DENIED as moot.

II. BACKGROUND

Plaintiffs filed a three-count Complaint on November 18, 2002, alleging the following:

Count I	Infringement of United States Patent No. 6,237,565 (hereinafter "'565" or the "Engelgau patent");
Count II	Infringement of United States Patent No. 6,305,239 (hereinafter "'239"); and
Count III	Infringement of United States Patent No. 6,374,695 (hereinafter "'695").

See Complaint. On August 11, 2003, however, the Court ordered, with stipulation, dismissal of Count II and Count III. Thus, the only remaining infringement claim relates to the '565 patent, (Count I). The '565 patent describes and claims a position-adjustable vehicle pedal assembly that allows the driver of a vehicle to adjust the pedal assembly to achieve greater driving comfort. The pedal assembly

incorporates an electronic pedal position sensor for use in vehicles sold with electronically controlled engine and braking systems that require the use of an electronic sensor. Plaintiffs contend that two of Defendant's adjustable pedal assemblies infringe on claim 4 of the '565 patent.

A. Facts and Procedural History

Plaintiff Teleflex Incorporated (hereinafter "Teleflex") is a Delaware corporation and a manufacturer and supplier of adjustable pedal systems that the automotive industry uses in automobile platforms. Plaintiff Technology Holding Corporation (hereinafter "THC") is a Delaware subsidiary of Plaintiff Teleflex and is the current assignee of the '239, '695, and '565 patents. Defendant KSR International Company (hereinafter "KSR") is a Canadian company and a manufacturer and supplier of automotive components, including adjustable pedal systems, to the automotive industry. Plaintiff Teleflex and Defendant KSR are direct competitors.

This action involves position-adjustable vehicle pedal assemblies, comprising of gas and brake pedals, that a motor vehicle driver uses to actuate the motor vehicle's fuel and brake systems. The pedal assembly may also include a clutch pedal if the vehicle is equipped with a manual transmission. Defendant has offered evidence that adjustable pedal assemblies have been produced since the 1970's. It is undisputed that earlier adjustable pedal assemblies were designed to work in vehicles using cable-actuated throttle controls. In vehicles using cable-actuated throttle controls, depression of the vehicle's gas pedal causes a cable to actuate a carburetor or fuel injection unit, thereby increasing the

amount of fuel and air entering the engine. It is also undisputed that in the mid-1990's, however, increasing numbers of vehicles sold in the United States were manufactured with computer controlled engines requiring the use of "electronic throttle controls" (hereinafter "ETC's"), instead of cable-actuated throttle controls. Unlike a cable-actuated throttle control, ETC's require the use of an electronic sensor to read the position of the gas pedal and vary the engine speed based on the position of the gas pedal. According to Defendant, ETC's allow improved traction control, simplified cruise controls, and greater use of on-board computer systems to improve fuel efficiency and reduce emissions.[1]

Defendant alleges that in mid-1998, it was chosen by Ford to supply adjustable pedal systems for the Ford Crown Victoria, Mercury Grand Marquis, and Lincoln Town Car lines, commencing with the 2001 model year. According to Defendant, the Ford engines installed in these vehicles use cable-actuated throttle controls and, accordingly, the adjustable pedal assemblies supplied by Defendant included cable-attach[illegible]nt arms. Defendant alleges that it was awarded U.S. Patent No. 6,151,986 for the design of the adjustable pedal systems supplied to Ford commencing with the 2001 model year. It has not been alleged that this design infringes on any of Plaintiffs' patents.

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1. Defendant alleges that ETC's require the use of an electronic sensor to communicate pedal input to the ETC in order to vary engine speed. Defendant refers to that electronic sensor as a "potentiometer" or "pedal position sensor." Plaintiff refers to the sensor as an "electronic control." To avoid any confusion, the Court will refer to the electronic sensor as a "pedal position sensor."

Appendix B

Defendant further alleges that in mid-2000, it was chosen by General Motors to supply adjustable pedal assemblies for the Chevrolet and GMC light truck lines, commencing with the 2003 model year. Unlike the cable-actuated Ford engines, the General Motors engines installed in the 2003 light truck lines require the use of an ETC. Defendant alleges that to be compatible with the General Motors engines, it supplied its adjustable pedal assemblies with an off-the-shelf pedal position sensor that had previously been used in 1994 and later Chevrolet and GMC pick-up trucks with optional diesel engines. Defendant alleges that it has patents pending for this design. Plaintiffs allege that this design, i.e., an adjustable pedal assembly incorporating an electronic pedal position sensor, infringes on their adjustable pedal assembly patents. By letter dated March 28, 2001, Plaintiff Teleflex stated the following to Defendant:

> We understand that you have made several proposals to General Motors Corporation based on an adjustable pedal product in combination with an electronic throttle control .... Teleflex believes that any supplier of a product that combines an adjustable pedal with an electronic throttle control necessarily employs technology covered by one or more of the above Teleflex patents and applications.

Willemsen Dec., at Ex. 2. After failing to persuade Defendant enter into a "royalty arrangement," Plaintiff Teleflex filed the present patent infringement action on November 18, 2002.

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Before filing its Complaint on November 18, 2002, however, Plaintiff Teleflex assigned the '239, '695' and '565 patents to Plaintiff THC, a subsidiary corporation. On April 2, 2003, Defendant moved to dismiss the action for lack of subject matter jurisdiction because at that point, Plaintiff THC was not a party to the case. Defendant argued that Plaintiff Teleflex lacked standing to sue for infringement because the patents had been assigned to Plaintiff THC. The Court denied Defendant's motion as to the '565 patent finding that an exclusive license granted to Plaintiff Teleflex by Plaintiff THC afforded Plaintiff Teleflex sufficient rights in the patent to satisfy the standing requirement, notwithstanding the absence of Plaintiff THC from the action. Plaintiff Teleflex did not, however, attach sufficient documentation to prove that it had been granted an exclusive license for the '239 and '695 patents and the Court ordered the parties to show cause as to whether such exclusive licenses had been granted to Plaintiff. Instead of responding to the order to show cause, the parties stipulated to the dismissal of the '239 and '695 patents, Plaintiffs dedicating both patents to the public under 35 U.S.C. § 253. Thus, the only remaining patent-in-suit is the '565 patent, invented by Steven Englegau on February 14, 1998. The parties also stipulated to the joinder of Plaintiff THC on September 26, 2003, and Plaintiff THC has agreed to be bound by all of the papers filed by Plaintiff Teleflex in this action.

Plaintiffs allege that two of Defendant KSR's adjustable pedal systems being produced for the General Motors GMT-800 and GMT-360 vehicle platforms literally infringe on each requirement of claim 4 of the '565 patent. Defendant argues that its adjustable pedal assemblies do not infringe on the

'565 patent. Moreover, according to Defendant, the '565 patent is invalid because it would have been obvious to someone with ordinary skill in the art of designing pedal systems to combine an adjustable pedal system with an electronic pedal position sensor to work with electronically controlled engines increasingly being used in motor vehicles. The Court finds Defendant's invalidity argument persuasive and because it disposes of the case only Defendant's Motion for Summary Judgment of Invalidity will be addressed.

III. LEGAL STANDARD

Summary judgment is appropriate only if the answers to interrogatories, depositions, admissions, and pleadings combined with the affidavits in support show that no genuine issue as to any material fact remains and the moving party is entitled to a judgment as a matter of law. *See* Fed. R. Civ. P. 56(c). A genuine issue of material fact exists when there is "sufficient evidence favoring the non-moving party for a jury to return a verdict for that party." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (citations omitted). In application of this summary judgment standard, the Court must view all materials supplied, including all pleadings, in the light most favorable to the non-moving party. *See Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 587 (1986). "If the evidence is merely colorable or is not significantly probative, summary judgment may be granted." *Anderson*, 477 U.S. at 249-50, (citations omitted).

The moving party bears the initial responsibility of informing the Court of the basis for its motion and identifying those portions of the record that establish the absence of a

genuine issue of material fact. *See Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Once the moving party has met its burden, the nonmoving party must go beyond the pleadings and come forward with specific facts to demonstrate that there is a genuine issue for trial. *See* Fed. R. Civ. P. 56(e); *Celotex*, 477 U.S. at 324. The non-moving party must do more than show that there is some abstract doubt as to the material facts. It must present significant probative evidence in support of its opposition to the motion for summary judgment in order to defeat the motion for summary judgment. *See Moore v. Philip Morris Companies*, 8 F.3d 335, 339-40 (6th Cir.1993).

IV. ANALYSIS

A. Claim 4 of the '565 Patent

The invention disclosed in the '565 patent is described in the patent's specification as a "simplified vehicle control pedal assembly that is less expensive, and which uses fewer parts and is easier to package within the vehicle." *See* '565 patent, col. 2, lines 2-4, attached to Plaintiffs' Response Brief, at Ex. J. Although the specification is useful for interpretation of claims, it is the claims that actually measure the invention. *See W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1548 (Fed.Cir.1983) (citations omitted). Claim 4 of the '565 patent broadly claims the following:

> A vehicle control pedal apparatus (12) comprising:
>
> a support (18) adapted to be mounted to a vehicle structure (20);

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an adjustable pedal assembly (22) having a pedal arm (14) moveable in force [sic] and aft directions with respect to said support (19);

a pivot (24) for pivotally supporting said adjustable pedal assembly (22) with respect to said support (18) and defining a pivot axis (26); and

an electronic control (2) attached to said support (18) for controlling a vehicle system;

said apparatus (12) characterized by said electronic control (28) being responsive to said pivot (24) for providing signal (32) that corresponds to pedal arm position as said pedal arm (14) pivots about said pivot axis (26) between rest and applied positions wherein the position of said pivot (24) remains constant while said pedal arm (14) moves in fore and aft directions with respect to said pivot (24).

'565 patent, col. 6, lines 17-36.

According to the above-quoted language, claim 4 of the '565 patent describes a position-adjustable pedal assembly with an electronic pedal position sensor attached to the support member of the pedal assembly. Attaching the sensor to the support member allows the sensor to remain in a fixed position while the driver adjusts the pedal. Plaintiffs allege that this feature results in a pedal assembly that is less expensive, less complex, and more compact than its predecessors. Defendant, however, argues that claim 4 is

drafted so broadly as to render the "invention" an obvious combination of an adjustable pedal assembly and pedal position sensor already well known in the art.

B. Obviousness

A patent is presumed valid. *See* 35 U.S.C. § 282. Therefore, a party challenging the validity of a patent bears the burden of proving facts that establish invalidity by clear and convincing evidence. *See Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1319 (Fed.Cir.2003). Under 35 U.S.C. § 103, prior art invalidates a patent for obviousness when the "subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains." 35 U.S.C. § 103(a). An obviousness inquiry under section 103 ultimately presents a question of law based on several underlying factual inquiries including: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the prior art and the claimed invention; and (4) the extent of any objective indicia of non-obviousness. *See Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966); *Winner Int'l Royalty Corp. v. Wang*, 202 F.3d 1340, 1348 (Fed.Cir.2000). Moreover, the central inquiry under section 103 is "whether the combined teachings of the prior art, taken as a whole, would have rendered the claimed invention obvious to one of ordinary skill in the art." *In re Napier*, 55 F.3d 610, 613 (1995). Defendant argues that claim 4 is invalid for obviousness in light of the relevant prior art at the time of the invention. Plaintiffs argue that genuine issues of material fact exist that preclude summary judgment on the issue of obviousness.

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1. The Scope and Content of the Prior Art

Under the first element of the *Graham* test for obviousness, the Court must determine the scope and content of the prior art. The scope of prior art is only that art which is analogous. *See In re Clay,* 966 F.2d 656, 658-59 (Fed.Cir.1992). Analogous art is art that is not "too remote to be treated as prior art." *In re Clay,* 966 F.2d at 657. In addition, a prior art reference is analogous if it is from the same " 'field of endeavor,' even if it addresses a different problem, or, if not within the same field, if the reference is 'reasonably pertinent' to the particular problem with which the inventor is involved." *In re Conte,* 36 Fed. Appx. 446, 450, 2002 WL 1216965, *4 (Fed.Cir.2002) (citing *In re Clay,* 966 F.2d at 658-59). The determination of relevant prior art is a question of fact. *In re Clay,* 966 F.2d at 658.

Relevant prior art is further defined by 35 U.S.C. §§ 102(a) and (b), which limit the time frame within which prior art can be found. Sections 102(a) and (b) provide:

> A person shall be entitled to a patent unless -
>
> (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States.

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According to interrogatory answers served by Plaintiff Teleflex, the inventions claimed in the '565 patent were made on February 14, 1998. Under section 102(a), the prior art of the '565 patent includes any analogous patents or printed publications issued prior to February 14, 1998. Furthermore, the '565 patent issued from a "continuation" application that claimed priority to a "parent" application filed January 26, 1999. Thus, under section 102(b), the prior art of the '565 patent also includes any analogous products that were in public use or on sale in the United States on or before January 26, 1998, a year prior to the application date of the '565 patent. It is undisputed that the prior art alleged by Defendant conform to the time limitations of 35 U.S.C. §§ 102(a) and (b).

In fact, Plaintiffs' only dispute the relevance of one prior art reference asserted by Defendant, U.S. Patent No. 5,010,782 (hereinafter "Asano"). Like the patent-in-suit, Asano discloses a position adjustable pedal assembly. The pedal assembly is pivotally mounted on a support which is connected to the vehicle. A pedal arm moves forward and backward along a guide member by way of a screw drive mechanism. The position of the support pivot remains in a constant position while the pedal arm moves forward and backward along the guide member. Depression of the foot pedal causes the pedal assembly to pivot and actuate a cable operated throttle control. Plaintiffs argue that because Asano depicts a complex pedal assembly design, an inventor presented with Engelgau's problem of how to design a less complex and less expensive adjustable pedal assembly "would shun Asano." *See* Plaintiff Teleflex's Response Brief, at 20. Defendant responds by arguing that none of the features

that allegedly make the '565 patent less complex or less expensive are claimed in claim 4 of the invention. Therefore, according to Defendant, the alleged features that make the patent-in-suit less complex or less expensive are legally irrelevant.

Each party asserts that relevant art is defined by the nature of the problem confronting the would-be inventor. *See Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 716 (Fed.Cir.1991); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1535 (Fed.Cir.1983). Determining relevant prior art, however, involves determining the scope of the inventor's "field of endeavor" before turning to the question of the nature of the problem confronting the inventor. As the Federal Circuit explained in *In re Wood:*

> The determination that a reference is from a nonanalogous art is ... two-fold. First, we decide if the reference is within the field of the inventor's endeavor. If it is not, we proceed to determine whether the reference is reasonably pertinent to the particular problem with which the inventor was involved.

In re Wood, 599 F.2d 1032, 1036 (Cust. & Pat.App.1979). Thus, an inquiry into the problem facing the inventor only arises if the alleged prior art is not within the inventor's same field of endeavor. Furthermore, if the alleged prior art exists in the inventor's field of endeavor, it constitutes relevant prior art "regardless of the problem addressed." *In re Clay*, 966 F.2d at 658-59.

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The Court finds that Asano is within Engelgau's field of endeavor. Engelgau's field of endeavor is the position-adjustable pedal assembly area of the automotive component industry. Engelgau admits in his affidavit that before designing the '565 patent he "was generally aware of the various designs in the fields of fixed and adjustable pedal assemblies as well as electronic controls." Plaintiff's Response Brief, at Ex. A. Furthermore, references in the first paragraph of the background section of the patent-in-suit to position-adjustable pedal assemblies in general, apart from their use with electronic pedal position sensors or electronic throttle controls, supports a finding that cable-actuated position-adjustable pedal assemblies such as Asano are within Engelgau's field of endeavor. *See In re Wood*, 599 F.2d at 1036 (finding that reference in the patent's specification to a field of art encompassing the alleged prior art supported a finding that the alleged prior art was within the inventor's field of endeavor.) Accordingly, the Court finds Asano to be analogous prior art to the '565 patent.

Other than Asano, Plaintiffs have not disputed that the prior art cited by Defendant is analogous. The Court finds the following to be analogous prior art and sufficient to establish obviousness by clear and convincing evidence:

1. U.S. Patent No. 5,010,782 filed July 28, 1989 (hereinafter "Asano");

2. U.S. Patent No. 5,998,892 filed September 4, 1996 (hereinafter " '892");

3. U.S. Patent No. 5,408,899 filed June 13, 1993 (hereinafter " '899");

4. U.S. Patent No. 5,241,936 filed September 9, 1991 (hereinafter " '936");

5. U.S. Patent No. 5,460,061 filed September 17, 1993 (hereinafter "Redding");

6. U.S. Patent No. 5,063,811 filed July 9, 1990 (hereinafter "Smith");

7. Various modular self-contained pedal position sensors, including U.S. Patent No. 5,385,068 filed December 18, 1992 (hereinafter " '068") and the "503 Series" pedal position sensor manufactured by CTS Corporation; and

8. A non-position adjustable pedal assembly installed in certain 1994 Chevrolet pick-up trucks comprising of a CTS 503 Series pedal position sensor attached to the pedal assembly support bracket, adjacent to the pedal and engaged with the pivot shaft about which the pedal rotates in operation.

The Court will briefly describe each of the above prior art.

a. The Asano patent

As the Court previously described, Asano discloses a position adjustable pedal assembly pivotally mounted on a

support member. A pedal arm moves forward and backward along a guide member by way of a screw drive mechanism depending on the driver's desired pedal position. The position of the support pivot remains constant while the pedal arm moves forward and backward along the guide member. The design also discloses an attachment for a mechanical throttle cable, the cable being responsive to the pivoting motion of the pedal assembly caused by depression of the accelerator pedal.

b. The '892 and '899 patents

The '892 and '899 patents disclose electronic pedal position sensors. Each patent teaches the desirability of electronic throttle controls and electronic connections, as distinguished from mechanical throttle controls and mechanical connections, between vehicle accelerator pedals and engine throttles.

c. The '936 patent

The '936 patent discloses a non-adjustable pedal assembly incorporating a pedal position sensor. The '936 patent teaches the desirability of placing the pedal position sensor inside the vehicle's passenger compartment mounted on the pedal support member adjacent to a vehicle's accelerator pedal, rather than in a vehicle's engine compartment.

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d. The Redding patent

The Redding patent discloses an adjustable accelerator pedal assembly in which the accelerator pedal arm slides back and forth along a guide member, but in contrast to Asano and the patent-in-suit, the accelerator pedal pivot moves during pedal adjustment.

e. The Smith patent

The Smith patent discloses an electronic pedal position sensor attached to an accelerator pedal support bracket and engaged with a pivot shaft. During the prosecution history of the '565 patent, the Patent Examiner held the combination of Redding and Smith to be obvious.

f. The 503 Series pedal position sensor used in certain 1994 Chevrolet pick-up trucks and the pedal position sensor described in the '068 patent.

These modular pedal position sensors teach the advantage of using a pedal position sensor that is engaged with the pivot shaft of an accelerator pedal to send an electronic signal to an electronic throttle control based on the degree the pivot shaft turns in response to depression of the accelerator pedal. In the case of the pedal assembly in certain 1994 Chevrolet pick-up trucks, the modular 503 Series pedal position sensor is mounted to the pedal assembly's support bracket and engaged with the pedal's pivot shaft. The 503 Series pedal position sensor and the pedal position sensor disclosed in the '068 patent will hereinafter collectively be referred to as "the modular pedal

position sensors." As previously stated, the Court finds all of the above described prior art to be relevant and analogous to the patent-in-suit.

ii. The Level of Ordinary Skill in the Art

The second element in the *Graham* test for obviousness requires determining the level of ordinary skill in the pertinent art. *See Graham*, 383 U.S. at 17-18, 86 S.Ct. 684. Ascertaining the level of ordinary skill in the art is necessary for maintaining objectivity in the obviousness inquiry. *See Ryko*, 950 F.2d at 719. Factors to consider include the educational level of the inventor, the educational level of those who work in the relevant industry, and the sophistication of the technology involved. *See id.*

The parties' experts dispute the level of ordinary skill in the art of designing adjustable pedal assemblies. Plaintiff's expert, Professor Clark J. Radcliffe, argues that "a person of ordinary skill in the art would be one with an undergraduate degree in mechanical engineering (or an equivalent amount of industry experience) who has familiarity with pedal control systems for vehicles." *See* Plaintiff's Response Brief, at Ex. H, ¶ 7. Defendant's expert, Larry Willemsen, argues that a person of ordinary skill in the art would have had "a minimum of two (2) years of college level training in mechanical engineering and two-three years' work experience spanning at least one complete pedal design 'cycle.' " Willemsen Decl., at ¶ 20. The Court finds little difference between these two positions. Furthermore, Defendant has agreed to adopt Professor Radcliffe's understanding of the level of ordinary skill in the art to the extent it differs from Mr. Willemsen's.

Therefore, the Court finds the level of ordinary skill in the art to be a hypothetical person with an undergraduate degree in mechanical engineering or an equivalent amount of industry experience who has familiarity with pedal control systems for vehicles.

iii. Differences Between the Prior Art and the ClaimedInvention

The third element in the *Graham* analyses requires the determination of any differences between the teachings found in the prior art and the claimed invention, from the vantage point of a hypothetical person with ordinary skill in the art. *See Graham*, 383 U.S. at 17-18, 86 S.Ct. 684; *Velander v. Garner*, 2003 WL 2249519 (Fed.Cir.2003). The claims of the patent-in-suit must be considered "as a whole." *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1547-48 (Fed.Cir.1983). It is "[t]he claims, not [the] particular embodiments [that] must be the focus of the obvious inquiry." *Jackson Jordan, Inc. v. Plasser American Corp.*, 747 F.2d 1567, 1578 (Fed.Cir.1984). The Federal Circuit has expressed the significance of claims in defining an invention:

> The claims of the patent provide the concise formal definition of the invention. They are the numbered paragraphs which particularly point out and distinctly claim the subject matter which the applicant regards as his invention. It is to these wordings that one must look to determine whether there has been infringement. Courts can neither broaden nor narrow the claims to give the patentee something different than what he has set forth.

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> No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them.

E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co., 849 F.2d 1430, 1433 (Fed.Cir.1988) (quoting *Autogiro Co. of America v. United States*, 181 Ct.Cl. 55, 384 F.2d 391, 395-96 (1967)) (internal quotations and alterations omitted). Thus, while it is entirely proper to use the specification of the patent to interpret what the patentee meant by a word or phrase in a claim, adding to the claim an extraneous limitation appearing in the specification is improper. *See E.I. du Pont de Nemours & Co.*, 849 F.2d at 1433 (citations omitted).

Review of prior art, however, is not limited to claims asserted in the prior art. Differences between prior art and the claimed invention are "ascertained by interpretation of the *teachings* of the prior art and of the *claims* of the patent." CHISUM ON PATENTS, § 5.03[5], 5-239 (2003) (emphasis added). In other words, a prior art reference must be considered in its entirety in an obviousness inquiry and must include a "full appreciation of what such reference fairly suggests to one of ordinary skill in the art." *W.L. Gore*, 721 F.2d at 1550.

The claims of the patent-in-suit are the starting point for determining any differences between the patent-in-suit and the prior art. Claim construction is a question of law for the Court to resolve. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed.Cir.1995). Some courts routinely hold *Markman* hearings to determine the proper interpretation of claim language. This procedure is not always necessary,

however. *See e.g. Rogers v. Desa Int'l, Inc.* 166 F.Supp.2d 1202, 1204 (E.D.Mich.2001). The subject matter of the '565 patent is not technologically or linguistically complex. Furthermore, neither party disputes any language of claim 4 in the context of Defendant's motion for invalidity. Accordingly, the Court finds a *Markman* hearing to be unnecessary. *See Rogers*, 166 F.Supp.2d at 1205.

In addition, the Court is not faced with disputed claim language to resolve. *See U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568 (Fed.Cir.1997). As the court in *U.S. Surgical Corp.* stated:

> Claim construction is a matter of resolution of disputed meanings and technical scope, to clarify and when necessary to explain what the patentee covered by the claims, for use in the determination of infringement. It is not an obligatory exercise in redundancy. [C]laim construction may occasionally be necessary in obviousness determinations, when the meaning or scope of technical terms and words of art is unclear and in dispute and requires resolution in order to determine obviousness ....

U.S. Surgical Corp., 103 F.3d at 1568. Accordingly, the Court will base its decision on the plain, ordinary, and undisputed language of claim 4 and any ambiguities will be resolved against the moving party. *See Electronic Planroom, Inc. v. McGraw-Hill Companies*, 135 F.Supp.2d 805, 832 (E.D.Mich.2001).

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As described above, claim 4 of the '565 patent broadly discloses the following: an adjustable pedal assembly comprising of a support member with a pivot supporting the pedal assembly with respect to the support member, the pivot remaining in constant position while the pedal moves in fore and aft directions with respect to the pivot. The '565 patent further discloses an electronic pedal position sensor attached to the support member and being responsive to the pivot of the pedal assembly for providing a signal to the engine based on the position of the pedal as the pedal assembly pivots about its pivot axis.

The Court finds little difference between the teachings of the prior art and claims of the patent-in-suit. Asano teaches the structure and function of each of the claim 4 limitations, except those relating to an electronic pedal position sensor. Specifically, Asano teaches an adjustable pedal assembly pivotally mounted on a support bracket with the pedal moving in a fore and aft directions with respect to the support and the pivot remaining in a constant position during movement of the pedal arm. Thus, Asano "fairly suggests" the same mechanical assembly design asserted in claim 4 of the patent-in-suit. *W.L. Gore*, 721 F.2d at 1550.

Plaintiffs argue that Asano is vastly different from the patent-in-suit. This may be a correct observation based on the preferred embodiment of each patent; however, none of the structural features asserted in claim 4, with the exception of the electronic pedal position sensor, result in an invention that is structurally different from Asano. As Defendant correctly points out, it would be improper to import extraneous limitations from the specification of the '565

patent to avoid a finding of obviousness. *See E.I. du Pont de Nemours & Co.*, 849 F.2d at 1433. Accordingly, the Court finds that Asano teaches every limitation contained in claim 4, with the exception of the limitation referring to an electronic pedal position sensor.

The electronic pedal position sensor asserted in claim 4, however, is fully disclosed by other prior art references. Both the 503 Series pedal position sensor and the '068 patent teach an electronic pedal position sensor being responsive to the pedal pivot shaft and causing a signal to be sent to the engine to increase or decrease engine speed based on the rotation of the pivot shaft. In other words, the 503 Series pedal position sensor and the pedal position sensor disclosed in the '068 patent are designed to be responsive to a pedal's pivot shaft in the same manner as the electronic pedal position sensor described in claim 4 of the '565 patent. Accordingly, prior art expressly teaches both the pivotally mounted pedal assembly and the electronic pedal position sensor asserted in claim 4.

a. Suggestion to combine

The fact that Asano and the modular pedal position sensors teach the invention disclosed in claim 4 does not render their combination obvious, however, unless there is "some motivation or suggestion to combine the prior art teachings," either in the prior art itself, or by reasonable inference from the nature of the problem, or from the knowledge of those of ordinary skill in the art. *See Al-Site Corp., v. VSI Int'l, Inc.*, 174 F.3d 1308, 1324 (Fed.Cir.1999); *see also Yamanouchi Pharmaceutical Co., Ltd., v. Danbury*

Pharmacal, Inc., 231 F.3d 1339, 1343 (Fed.Cir.2000) ("[T]he suggestion to combine requirement stands as a critical safeguard against hindsight analysis and rote application of the legal test for obviousness."); *ACS Hospital Sys., Inc. v. Montefiore Hospital*, 732 F.2d 1572, 1577 (Fed.Cir.1984) ("Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination.") It is undisputed that in the mid-1990's more cars required the use of an electronic device, such as a pedal position sensor, to communicate driver inputs to an electronically managed engine. It is also undisputed that adjustable pedal assemblies have existed in the art since the late 1970's. Clearly it was inevitable that adjustable pedal assemblies would be joined with an electronic device to work in conjunction with modern electronically controlled engines. This fact is displayed in the prior art by Rixon '593, which discloses an adjustable pedal assembly operating in conjunction with an electronic throttle control. *See* Plaintiffs' Response Brief, at Ex. L. According to one of Plaintiffs' experts, Timothy Andresen, unlike the patent-in-suit, Rixon '593 discloses an adjustable pedal assembly with an electronic sensor that is not attached to the pedal mounting bracket and moves during pedal adjustment. *See* Andresen Decl., at ¶¶ 5-6. Andresen states that placing the electronic sensor "where it moves during pedal adjustment can be undesirable due to the potential for electrical connector wire fatigue failure and/or insulation abrasion." *Id.* at ¶ 6. It is undisputed that Engelgau sought to improve on this design. *See* Plaintiff's Response Brief, at Ex. J, Col. 1, lines 43-52. According to Andresen, Engelgau's mounting of the electronic pedal position sensor to the pedal assembly support

bracket separated the pedal adjustment movement from the electronic sensor. Andresen Decl. at ¶ 7. Andresen argues that this is the "critical feature" of the design that would not have been obvious to someone familiar with the state of art. *See* Andresen Decl. at ¶ 7. It is also this feature which, according to Andresen, "optimizes package space requirements, minimizes weight, and simplifies the overall design." *Id.* at ¶ 9. Thus, the issue is whether something in the prior art suggests combining the teachings of Asano, a pedal assembly in which the pivot does not move with pedal adjustment, with the teachings of the various modular pedal position sensors known in the art to solve the problem of designing a less expensive, less complex and more compact design.[2]

The incentive to combine prior art references can come from the prior art itself or be reasonably inferred from the "nature of the problem to be solved, leading inventors to look to references related to solutions to that problem."

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2. Plaintiffs' experts agree that the alleged novelty of the '565 patent is found in the fact that the electronic control is mounted to the pedal assembly support member and responsive to the pivotal motion of the pedal pivot shaft. *See* Radcliffe Decl. at ¶ 15; Andresen Decl. at ¶ 5-7. This feature is asserted in claim 4. In addition, however, Plaintiffs argue that the problem of designing a less complex, less expensive, and more compact design was also solved by the simplified adjustable pedal assembly disclosed in the preferred embodiment of the '565 patent. Plaintiffs make the argument in an attempt to distinguish Asano. This argument, however, is unavailing because, as the Court noted above, claim 4 contains none of the limitations that allegedly make the preferred embodiment of the pedal assembly structurally less complex than the Asano pedal assembly. *See E.I. du Pont de Nemours & Co.*, 849 F.2d at 1433 (citations omitted).

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Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc., 75 F.3d 1568, 1573 (Fed.Cir.1996). According to Plaintiff's experts, prior art such as the Rixon '593 suffered from being too complex because the pedal position sensor is located in the pedal housing and its fore and aft movement with the adjustment of the pedal could cause problems with wire failure. Thus, the solution to the problem required an electronic control that does not move with the pedal arm while the pedal arm is being adjusted by the driver. The Court finds that a person with ordinary skill in the art with full knowledge of Asano and the modular pedal position sensors such as the CTS 503 Series would be motivated to combine the two references to avoid the problems with Rixon '593.

In addition, the fact that Asano and the modular pedal position sensors both relate to the art of vehicle pedal systems is a factor suggesting their combination. *See In re Harmon*, 42 C.C.P.A. 921, 222 F.2d 743, 746 (1955) ("That the references would have suggested doing what appellant has done to anyone skilled in the art seems beyond doubt since both references relate to coating . . . ."); *In re Marx*, 43 C.C.P.A. 880, 232 F.2d 638, 640 (1956) ("since both patents relate to the same art, it would readily have occurred to one having cognizance of the features of the references that it might be desirable to [combine them]."); *Display Technologies, Inc. v. Paul Flum Ideas, Inc.*, 60 Fed.Appx. 787, 794, 2002 WL 32066815 (Fed.Cir.2002) ("The district court did not err in combining the prior art references in this case. The [prior art references] all are within the same field of gravity-fed beverage dispensers.") Furthermore, the prior art contains express teachings with respect to the desirability of attaching pedal position sensor to the support member of

a pedal assembly with the sensor being responsive to the pedal's pivot shaft in the same manner as the invention claimed in the '565 patent. *See* U.S. Patent No. 5,063,811 to Smith (hereinafter "Smith"), attached to Defendant's Reply Brief, at Ex. 5. Smith reveals a rotary potentiometer, which provides basically the same function as the 503 Series pedal position sensor, attached to a fixed support member and responsive to the pedal's pivot shaft. Additionally, Smith contains express teachings as to the desirability of attaching an electronic control to a support member in order to avoid the wire failure problems identified with Rixon '593 and allegedly solved by the patent-in-suit: "[T]he wiring to the electrical components must be secure from the possibility of chafing which will eventually result in electrical failure. Thus, the pedal assemblies must not precipitate any motion in the connecting wires themselves . . . ." *Id.* at Col. 1, lines 33-38. Accordingly, the Court finds that Defendant has offered sufficient evidence of a suggestion to combine a pivotally mounted adjustable pedal assembly with an off-the-shelf modular pedal position sensor to solve the problem of designing a less expensive, less complex, and more compact adjustable pedal assembly for use with electronically controlled vehicles.

A finding of obviousness is further supported by the prosecution history of the patent-in-suit. Defendant points out that during prosecution of the '565 patent before the Patent and Trademark Office, the Examiner rejected a claim similar to claim 4 as an obvious combination of prior art. Specifically, the Examiner cited Redding for its disclosure of an adjustable pedal assembly comprising of a pedal movable in fore and aft directions on a pivotally movable

guide rail mounted to a support member. The Examiner cited Smith for is disclosure of an electronic pedal position sensor attached to a pedal assembly support member, which the Examiner described as "old and well known in the art." *See* Office Action of November 13, 2000, attached to Defendant's Reply Brief, at Ex. 3. The Examiner stated his obviousness conclusion in the following manner:

> Since the prior are [sic] references are from the field of endeavor, the purpose disclosed by Brown [sic] would have been recognized in the pertinent art of Redding. Therefore it would have been obvious at the time the invention was made to provide the device of Redding with the electronic throttle contro! means attached to a support member as taught by Smith.

Id. at 3.

Claim 4 of the '565 patent was allowed by the Examiner, however, because of an added structural limitation, "wherein the position of said pivot (24) remains constant while said pedal arm (14) moves in fore and aft directions with respect to said pivot (24)." '565 patent, col. 6, lines 33-36. Adding this structural limitation distinguished the patent-in-suit from Redding because the pedal pivot described in Redding does not remain constant while the pedal arm moves in fore and aft directions. Asano, however, discloses a pivot that does remain in a constant position while the pedal arm moves back and forth. Thus, the Court finds persuasive Defendant's argument that if Asano had been cited to the Examiner, he would have found the combination of Asano and Smith to

be obvious, just as he found the combination of Redding and Smith to be obvious.

i. Secondary Considerations

The final element of the *Graham* test for obviousness requires ascertaining the extent of any objective indicia of non-obviousness. *See Graham*, 383 U.S. at 17-18, 86 S.Ct. 684. These so-called "secondary considerations" include commercial success, long-felt need, failure of others, skepticism and unexpected results. *See 3M v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 1573 (Fed.Cir.1992). In some cases, such evidence is the most probative of obviousness. *See Richardson-Vicks, Inc. v. Upjohn Co.*, 122 F.3d 1476, 1483 (Fed.Cir.1997) (citing *Stratoflex*, 713 F.2d at 1538). Secondary considerations, however, do not control the obviousness inquiry. *See Richardson-Vicks*, 122 F.3d at 1483 (citing *Newell Companies, Inc. v. Kenney Mfg. Co.*, 864 F.2d 757, 768 (Fed.Cir.1988)). In other words, secondary considerations "are but a part of the 'totality of the evidence' that is used to reach the ultimate conclusion of obviousness." *See Richardson-Vicks*, 122 F.3d at 1483.

Plaintiffs argue that the commercial success of the design depicted in the Engelgau patent supports a finding of non-obviousness. Commercial success, however, "is relevant only if it flows from the merits of the *claimed* invention." *Sjolund v. Musland*, 847 F.2d 1573, 1582 (Fed.Cir.1988). In other words, the party asserting commercial success must prove a nexus between the commercial success and the claimed invention. *See Simmons Fastener Corp. v. Illinois Tool Works, Inc.*, 739 F.2d 1573, 1575 (Fed.Cir.1984).

Appendix B

Plaintiffs offer the declaration of Plaintiff Teleflex's Director of Pedal Engineering, Charles Meier. *See* Plaintiffs' Response Brief, at Ex. M. According to Mr. Meier, the "adjustable pedal assembly design referenced in the Engelgau patent has been placed in Ford's U-137/P-131 program." *Id.* at ¶ 3. Furthermore, according to Mr. Meier, Plaintiff Teleflex has "shipped approximately 150,000 adjustable pedal units to Ford for the U-137/P-131 program." *Id.* at ¶ 5. The Court finds this evidence insufficient to overcome Defendant's strong showing of obviousness.

Plaintiff has offered an overall sales figure for the adjustable pedal assembly design "referenced in the Engelgau patent." *Id.* at ¶ 3. As Defendant correctly notes, the pedal assembly design referenced in the Engelgau patent describes two embodiments, one comprising of a optional "cable attachment member 78" for use with engines utilizing a cable-actuated throttle control, and a second comprising of an "electronic throttle control 28." The embodiment comprising of a "cable attachment member 78" is not protected by claim 4. Without knowing what amount, if any, of the 150,000 units allegedly sold incorporated an electronic throttle control protected by claim 4, it is impossible to gauge the commercial success of the invention. Furthermore, even if the Court was presented with enough evidence to find some or all of the unit sales to be of a pedal assembly protected by claim 4, the evidence would still amount to simple sales figure with no evidence of nexus. *See Kansas Jack, Inc. v. Kuhn*, 719 F.2d 1144, 1151 (Fed.Cir.1983) (upholding the district court's invalidity ruling and holding the patent obvious when "the evidence of commercial success consisted solely of the number of units sold"); *In re Baxter Travenol Labs.*, 952

F 2d 388 (Fed Cir 1991) (citing *Kansas Jack, Inc*, 719 F.2d at 1151) ("information solely on numbers of units sold is insufficient to establish commercial success")

In addition, Plaintiffs have not attempted to offer evidence of any other secondary consideration, such as long-felt need or failure of others The Federal Circuit has found that this fact warrants giving less weight to an argument based on commercial success *See Merck & Co v Biocraft Laboratories, Inc*, 874 F 2d 804, 809 (Fed.Cir.1989) ("Commercial success is an indication of nonobviousness that must be considered in a patentability analysis . but in the circumstances of this case, where it is the only such indication, it is insufficient to render Merck's claimed invention nonobvious") Therefore, the Court finds the evidence of commercial success insufficient to overcome Defendant's clear and convincing evidence of obviousness.

5. Conclusion

Accordingly, the Court finds that a hypothetical person with an undergraduate degree in mechanical engineering or an equivalent amount of industry experience who has familiarity with pedal control systems for vehicles would have found it obvious to attach a modular pedal position sensor to Asano's support member, with the pedal position sensor being responsive to the pedal assembly's pivot shaft. Therefore, claim 4 of the '565 is invalid for obviousness. *See* 35 U S C § 103(a)

Appendix B

V. CONCLUSION

For the reasons set forth above, Defendant's Motion for Summary Judgment of Invalidity is GRANTED. Plaintiffs' *Ex Parte* Motion for Oral Argument is DENIED. Plaintiffs' Motion for Summary Judgment of Infringement is DENIED as moot.

IT IS SO ORDERED.

Dated: December 12, 2003

LAWRENCE P. ZATKOFF
CHIEF UNITED STATES
DIRTRICT JUDGE